MAR 30 1936

DUN & BRADSTREET MONTHLY REVIEW

WIDER GAINS RECORDED FOR ELECTRICAL GOODS SALES

MARCH · 1936

Published by
DUN & BRADSTREET, INC.
NEW YORK

FIFTY CENTS A COPY

CONTENTS

MARCH, 1936

CHAIN STORE TAXES - - - - - - - - - - 2-6
Willard L. Thorp

REGIONAL RECORDS FOR RETAILING - - - - - 7

THE POTENTIAL DEMAND FOR NEW HOME BUILDING - - 8-10

THE TREND OF TAX DELINQUENCY 1930-1935 - - - - 11-13
Frederick L. Bird

WIDER GAINS RECORDED FOR ELECTRICAL GOODS SALES - - 14-16
Raymond Brennan

USE OF SECTION 77B INCREASES IN FEBRUARY - - - 17

MARKED DECREASE IN COMMERCIAL FAILURES IN FEBRUARY - 18-23

FAILURES BY DIVISIONS OF INDUSTRY, 1934-1935 - - - 24-25

MARKETING TRENDS - - - - - - - - - - 26

THE TREND OF PRICES - - - - - - - - - 27

GRAPHIC REVIEWS OF MAJOR TRENDS (Rayon, Coal, Pneumatic Castings, Carloadings, Building, Lumber, Tin, Electricity) - - - 28-31
J. A. D'Andrea

FEBRUARY BUILDING PERMIT VALUES FOR 215 CITIES - - 32

BANK CLEARINGS HIGHEST FOR FEBRUARY SINCE 1931 - - 33

STATISTICAL RECORD OF COMMERCE AND FINANCE - - 34-35

COTTON GOODS RECOVERY FEATURED TEXTILE TRADING - - 36-37
C. S. Woolsley

INTERNATIONAL MONEY MARKETS - - - - - - 38-39

STOCK VALUES ADVANCED FOR ELEVENTH MONTH - - - 40
George Rambles

GENERAL BUSINESS CONDITIONS - - - - - - 41-44
District Offices of Dun & Bradstreet, Inc.

Cover illustration by Keystone View Company of New York, Inc.

DUN and BRADSTREET
MONTHLY REVIEW

Published by

DUN & BRADSTREET, Inc.

Established 1841

Editorial Offices: 290 BROADWAY, NEW YORK

QUINCY ADAMS, Editor. RAYMOND BRENNAN, Associate Editor

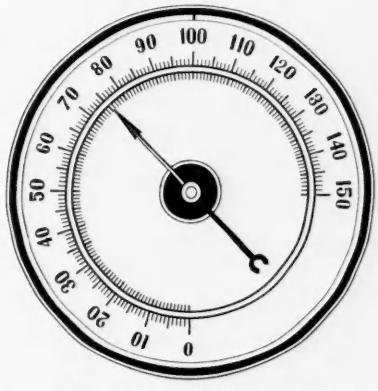
J. A. D'ANDREA, Statistician

VOL. 44 NO. 2096

Entered as second-class matter October 30, 1893, at the Post Office, at New York, N. Y., under the Act of March 3, 1879

Subscription Price $5.00 per year, Outside U. S. $6.00 per year

THE ACTIVITY BAROMETER



March 4, 1936	February 5, 1936
75.5	75.5

The average rate of the Business Barometer was again lower in February, as compared with the January average, although the decline was not so marked as the December to January decrease. The steel production rate advanced in February, but total output for the month fell off slightly. The Barometer for the first week of March registered 75.5, the same as that recorded for the week of February 5, but showed a gain of 4.1 points over the 71.4 figure set down in the corresponding week of 1935.

BAROMETER AND ITS COMPONENTS

(Estimated normal =100)

	Activity Barometer	Steel Production	Car Loadings	Electric Power	Bank Clearings	Food Price Index
Mar. 4, '36	75.5	61.1	66.2	92.5	56.6	81.8
Feb. 26, '36	77.1	61.1	69.2	95.2	55.9	83.4
Feb. 19, '36	76.6	59.9	68.0	94.0	54.2	85.6
Feb. 12, '36	76.8	60.7	68.0	93.8	57.6	84.1
Feb. 5, '36	75.5	59.3	65.3	93.8	59.4	83.5
Mar. 6, '35	71.4	55.0	62.4	85.1	49.6	83.6

THIS ISSUE

During the last six years about one-half the State legislatures have levied some special form of tax which was aimed directly at the chain store. The States in which license taxes now are effective, the form which these take, and the bases for their computation are but a few of the subjects included in the comprehensive study made by Willard L. Thorp in his article "Chain Store Taxes."

The median tax delinquency in 1935 dropped below that of any year since 1931, based on the records of 150 cities of over 50,000 population, taken as indicative of the national situation. The exact status of tax collections for the average city during the last six years is reviewed in detail by Frederick L. Bird in "The Trend of Tax Delinquency 1930-1935."

In 1935 the number of urban family dwellings erected was twice that of any year back to 1931. According to the analysis in "The Potential Demand for New Home Building," the number constructed in 1936 will be in excess of 200,000 to meet existing pent-up needs.

CHAIN STORE TAXES

by WILLARD L. THORP

A Dun & Bradstreet client recently inquired about the extent to which chain store taxation has spread among the States, what form the taxes take, and how much the tax rates actually are. This article presents the facts as requested.

DURING the twenties, the high and advancing level of economic activity prevented the competition among various channels of distribution from taking the center of the economic and political stage, although there was plenty of strong feeling just below the surface. The traditional market areas, centering around the cracker-barrel, had been completely upset by the mobility of the automobile and the centripetal force of the motion picture theater. Chains of retail stores, a device which had been used in a limited way for decades, suddenly expanded with great rapidity to the dismay and distress of those engaged in the established process of wholesaler-retailer distribution.

Competition Intensified

After 1929, markets shrank rapidly. Not only did volume decline but price decreases further reduced the retailers' gross income, so that total sales in 1933 as recorded by the Census of American Business for all retailers were only 51 per cent of 1929. The number of retail outlets was only slightly reduced and since retail costs include many fixed items, they did not prove to be very flexible. The result quite naturally was the aggravation of the competition between various elements in the marketing field, each struggling for an increasing share in the declining volume of business. The small independent retailer with his wholesale supplier was inclined to blame much of his difficulty on the chain store, the mail-order house and the mass distributor.

In any case of intense competition, an individual or a group frequently finds its best strategy to lie in supporting some device which will penalize or embarrass its competitors. Thus, for example, the tariff has long been used as a method of penalizing that group of competitors who happen to be located in other countries. Taxes on particular products are most naturally supported by those who produce substitutes. In most cases, the advocates of such restriction find justification for the regulation not only in their own advantage but also in various benefits to the community which will supposedly come from encouraging one economic process or group by penalizing another.

The Spread of Taxation

The attempt to deal directly with the problem was made by Maryland in 1927, when a law was enacted flatly prohibiting the extension of the chain store systems. However, in the following year, the law was declared discriminatory so emphatically that efforts along this line were discontinued in favor of regulation via taxation.

The last six years have seen about one-half the State legislatures levy some special form of tax which was aimed directly at the chain store. In addition, the general tendency to use graduated bases of taxation for all enterprises according to size of capitalization, sales, or net income, is directed at all large enterprises, of which the chain store group is an important element.

In general, chain store tax legislation takes either of two forms, a graduated license or occupation tax levied annually, the rate being determined by the number of stores in the chain in the State, or a graduated sales tax, the rate being determined by the volume of business. The map pictures the present coverage for the entire United States. The twenty States here listed all have chain store license taxes:

Alabama	Maryland
California (a)	Michigan
Colorado	Minnesota (b)
Florida	Montana
Idaho	North Carolina
Indiana	South Carolina
Iowa (b)	South Dakota
Kentucky	West Virginia
Louisiana (a)	Texas (a)
Maine	Wisconsin

(a) Operation delayed by legal processes.
(b) Also graduated sales tax.

Laws Not in Effect

In three of the States, the law is on the books but is not actually in effect at the present time. California has a constitutional provision requiring that upon petition of 5 per cent of the voters, any act of the Legislature must be submitted to popular referendum. Such a petition having been filed with respect to the enacted chain store tax, it is automatically suspended pending the outcome of the referendum. Inasmuch as the tax was scheduled to go into operation on September 14, 1935, the postponement is of considerable impor-

tance, since the referendum will not take place until the general election in November, 1936. It is perhaps worthy of note that the Colorado law has already been approved by popular referendum.

The Louisiana law, passed in 1934, superseding the 1932 law, established rates based upon the total number of stores in the chain anywhere in the United States, rather than the more usual basis of the number within the State boundaries. Due to this peculiarity, an injunction was granted and is now in effect forbidding the collection of the tax.

The new Texas law, which was to go into effect January 16, 1936, was stopped with a temporary injunction issued several days before the effective date. Incidentally, this law, with its maximum rate of $750 per store, establishes a new high for license taxes for large chains.

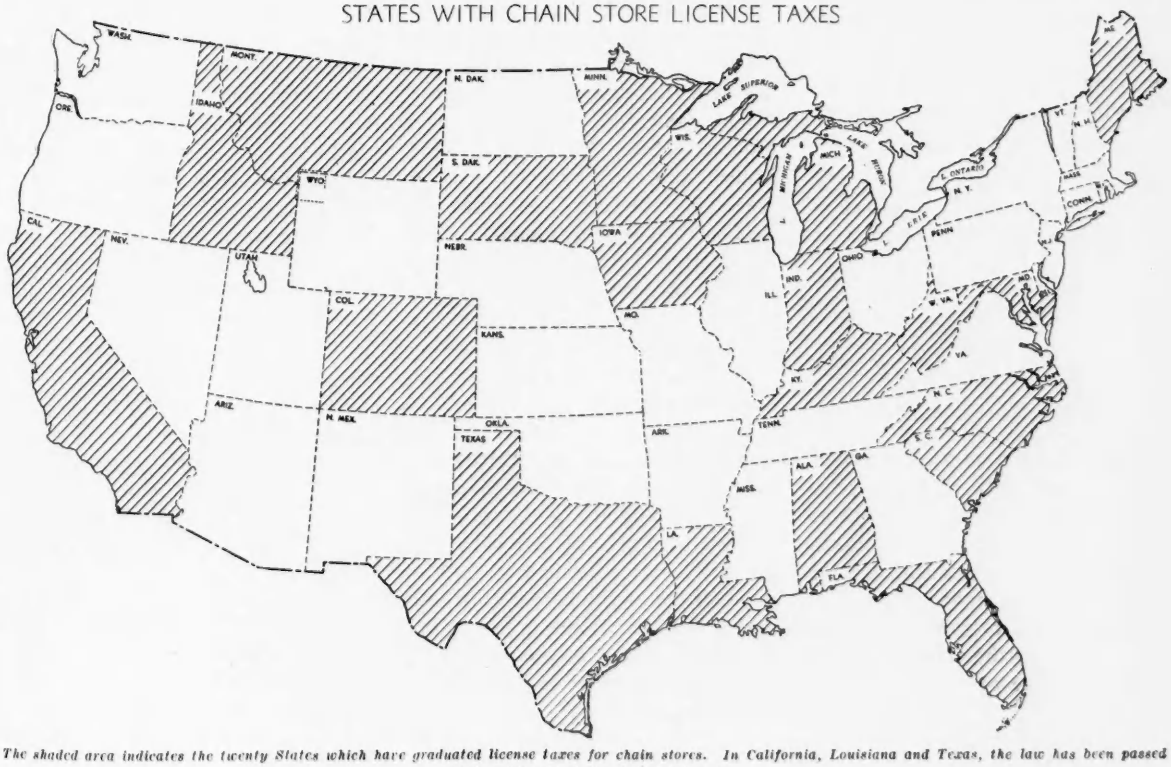
Laws Not Included

Certain other States are often listed as having tax legislation directed specially at chain stores. Virginia, for example, is frequently so described. Virginia has a general graduated sales tax on all wholesalers and another similar tax on all retailers. The law makes this provision for chain operators —that a distribution depot (a warehouse) must have a separate license as a wholesaler and that shipments from this warehouse to the retail outlets are to be regarded as purchases by them. In other words, if a chain operator has a warehouse in Virginia, he must qualify both as a wholesaler and a retailer. The net result can hardly be regarded as special chain store legislation. It appears rather as an attempt to prevent the chain store from obtaining a special advantage from the particular type of business license tax used in the State.

Likewise, Delaware is frequently included in lists of States with special chain store taxes, because of a special branch stores license tax which must be paid by any concern having its principal place of business outside the State, but maintaining wholesale or retail activity within the State. Obviously, this would cover many chains. The license is $10 registration fee, and for sales whose cost is in excess of $5,000 a tax of 10 cents for each $100 of aggregate cost of goods sold. But an ordinary citizen opening a single store must take out a general merchant's license costing $5, with the same sales tax, though it is stated in its particular law as 1/10 of 1 per cent of the aggregate cost. Here again, the chain store law appears to be merely an attempt to deal with chain stores consistently with the treatment of other stores.

While these twenty States do not include the greatest centers of population, such as New York, Illinois and Pennsylvania, the coverage cannot be regarded lightly. These twenty States in 1933 accounted for 39 per cent of all independent stores in the country and 36 per cent of all chain stores. However, it should be noted that the laws of California and Texas, the first and third on the list in order of number of chain stores among the States with special chain store taxation, are not in ef-

STATES WITH CHAIN STORE LICENSE TAXES



The shaded area indicates the twenty States which have graduated license taxes for chain stores. In California, Louisiana and Texas, the law has been passed but is not in effect, due to legal delays.

fect at the present time. These two States account for 16,133 of the 50,437 chain stores in the twenty States. Their elimination reduces the percentage of the total country found in the remaining eighteen States to 24 per cent.

The Graduated License Tax

In general, the character of the graduated license tax structure is like the surtax in the Federal income tax, the rate advancing for higher brackets but not affecting the lower brackets. Thus, in Indiana the rate for one store is $3. The next four stores must pay $10 each; the next five stores $20 each. Consequently ten stores would pay $3 plus $40 plus $100, a tax of $143.

However, two States, Florida and Idaho, levy the tax on the chain rather than the store, which leads to some rather curious results. The Florida structure is given in Table I:

Table I. Florida Chain Store Tax Rates

Chain of 1 store	$10 for each store
Chain of 2-3 stores	50 for each store
Chain of 4-6 stores	100 for each store
Chain of 7-10 stores	200 for each store
Chain of 11-15 stores	300 for each store
Chain of 16-or over	400 for each store

The result of this structure is a very uneven increase in taxation. Considering chains up to eleven stores, the computed taxes are as follows:

Stores	Total Tax Bill	Added by Last Store
1	$10	$10
2	100	90
3	150	50
4	400	250
5	500	100
6	600	100
7	1,400	800
8	1,600	200
9	1,800	200
10	2,000	200
11	3,300	1,300

The maximum jump is reached when a chain with 15 stores pays $4,500 tax and one with 16 stores pays $6,400 tax, due to the higher rate on all 15 stores resulting from the single addition of the sixteenth. In other words, the penalty for adding the sixteenth store is $1,900. The seventeenth store and all thereafter, add $400 each to the tax bill.

In Idaho, where the same principle is followed, the breaks are not quite so severe, due to a more finely graduated scale. Nevertheless, the tax on 19 stores is $8,930 and on 20 stores is $10,000, a differential of $1,070. This method of computation thus leads to tremendous increases at certain specific points in the scale.

Graduated Receipts Tax

In addition to the licensing form of tax which appears in all twenty States, there is a graduated receipts tax on the books of Iowa and Minnesota. In various other States, such taxes have been thrown out by the courts, and a recent Federal District Court in Iowa found the law unconstitutional. The Iowa gross receipts tax starts with receipts less than $50,000, where the tax is $25; adds 1/10 of 1 per cent for next $50,000, reaches 1 per cent on gross receipts at $300,000, and 10 per cent on receipts in excess of $9,000,000. The Minnesota tax is not so severe, starting at 1/20 of 1 per cent for the first $100,000 and reaching 1 per cent of sales in excess of $1,000,000.

The Florida law, effective January 1, 1935, established a new chain store tax law requiring a payment of license fees and gross receipt taxes by chain stores, both graduated. The Florida Supreme Court, in decisions rendered on November 26 and November 27, 1935, (State ex rel. Adams et al. v. Lee; State ex rel. Lane Drug Stores, Inc. v. Simpson) decided that the graduated character of the sales tax was improper. However, a flat sales tax being proper, the court left the first step of the graduation as applicable to all. One amusing aspect of this decision relates to the provision in the law which was to double the license taxes if the sales tax was declared unconstitutional. This provision was declared constitutional but inoperative since the basic sales tax rate was valid and only the upper brackets were deemed unlawful.

In the case of South Dakota, there is a graduated sales tax included in the chain store tax law. However, the wording of the law and subsequent interpretations by the officials in charge have made it clear that the law applies to all stores, including single outlets. Consequently, the graduated sales tax does not have special application to the chains, as it does in Iowa and Minnesota.

The Tax Rate

It is now possible to summarize in tabular form the actual rates of the license tax in the various States. There is virtually no uniformity. The size groups vary from State to State as well as the rate applicable to each size. Consequently, the only method of making a comparison apart from giving the entire complex picture, is to compare the tax levied upon chains of various sizes in each State. The result is presented in Table II:

The result is certainly a bewildering complexity of separate and individual tax structures. The Indiana law has been taken as an example by several other States, because of the fact that it was approved in a 5-4 decision of the Supreme Court (State Board of Tax Commissions of Indiana et el v. Jackson, 283 U. S. 527). Consequently, States like Colorado, while changing the figures involved, have used the Indiana text almost verbatim. Other States, like Maryland, have followed the Indiana schedule of rates rather carefully. Minnesota follows the Iowa structure not only in the license rates but also in including the graduated receipts tax.

Nevertheless, despite such occasional similarities the differences remain the outstanding characteristic. In seven of the States, the first store is exempt from taxation. In the remaining thirteen States, the tax is very small, only two States being $5, and Florida beginning with $10. The rate for the large chain ranges from a maximum fee of $10 in South Dakota to $750 per additional store in Texas. Five of the twenty States have a

Table II. Chain Store License Tax Rates

	Increase in Tax Bill Due to Last Store Added to Chain — Number of Stores in Chain							
	1	2	5	10	25	50	200	Comment
Alabama	$1.00	$15.00	$15.00	$22.50	$112.50	$112.50	$112.50	
California	1.00	2.00	16.00	500.00	500.00	500.00	500.00	Inoperative pending referendum.
Colorado	2.00	10.00	50.00	150.00	300.00	300.00	300.00	
Florida (a)	10.00	50.00	100.00	200.00	400.00	400.00	400.00	
Idaho (a)	5.00	10.00	35.00	200.00	500.00	500.00	500.00	
Indiana	3.00	10.00	10.00	20.00	150.00	150.00	150.00	
Iowa	....	5.00	5.00	5.00	35.00	105.00	155.00	Also graduated receipts tax.
Kentucky	2.00	20.00	20.00	20.00	50.00	100.00	150.00	
Louisiana	....	10.00	10.00	10.00	15.00	20.00	200.00 (b)	Collection enjoined.
Maine	1.00	5.00	5.00	20.00	150.00	150.00	150.00	
Maryland	....	5.00	5.00	20.00	150.00	150.00	150.00	
Michigan	....	10.00	25.00	50.00	200.00	250.00	250.00	Also special chain counter tax.
Minnesota	....	5.00	5.00	5.00	35.00	105.00	155.00	Also graduated receipts tax.
Montana	2.50	2.50	20.00	25.00	30.00	30.00	30.00	
North Carolina	....	50.00	50.00	80.00	125.00	150.00	200.00 (c)	
South Carolina	5.00	10.00	25.00	50.00	125.00	150.00	150.00	
South Dakota	1.00	5.00	5.00	5.00	10.00	10.00	10.00	
Texas	1.00	6.00	25.00	50.00	250.00	500.00	750.00	Collection enjoined.
West Virginia	2.00	5.00	5.00	10.00	35.00	100.00	250.00	
Wisconsin	....	25.00	25.00	50.00	200.00	250.00	250.00	

(a) Tax based on all stores in chain rather than cumulative. See text.
(b) Increases to $550.00 on chains with over 500 stores.
(c) For chains in excess of 200 stores, rate is $225.00 per additional store.

maximum of $150 and three $250 per additional store. But there is little evidence of any common understanding of what the traffic will or will not bear.

The Difference in Size

The variations are even more pronounced when one considers the number of stores which are required in order to permit a chain to pay the maximum tax rate. The following tabulation shows the number of States which reach their maximum at each particular number of stores:

Number of Stores Required for Maximum Rate	Number of States
10	1
11	2
16	1
20	1
21	4
25	1
26	2
31	1
51	4
76	1
201	1
501	1
	20

The extreme case where the number is 501 is Louisiana which as already described endeavored to levy the tax in accordance with the total number of stores operated by the chain regardless of whether in or outside of the State, and which in consequence has been halted by court injunction. But even without this extreme case, the picture is still one of extraordinary variation. Quite evidently, each State Legislature has had its own unique ideas as to just what it was endeavoring to do with or to the chain store.

Exemptions

Another element of difference which appears when one compares the detailed laws of the various States, is in the exact area of application. Some States cover both wholesale and retail outlets while others are specifically retail. The definitions of coverage are not always clear, although there are many nice questions as to whether a telephone company office is a store, or how to treat a chain of barber shops which sell service rather than commodities. The result is that a body of administrative law is in the process of erection in connection with the many problems of interpretation which are not specifically solved by the law themselves. The laws frequently specify certain types of enterprises to be exempt from the tax. Twelve of the twenty States exempt retailers of gasoline or other petroleum products. Of the remaining eight, both North Carolina and Wisconsin have established separate tax rates for filling station chains considerably below those applying to ordinary chains. Alabama and California exempt ice plants or ice distribution stations. Several States specifically exempt co-operatives.

The Iowa legislation offers an illustration of one of the more complicated exemption provisions. It exempts co-operative associations; farmers selling their own products; persons selling at retail, 95 per cent of whose sales are coal, ice, lumber, grain, feed, or building materials; and liquor stores, hotels, dining rooms, cafes and rooming houses. This pattern has been followed by several other States, notably Minnesota.

The California chain store tax law specifically exempts gasoline filling stations and bulk plants, ice, railroad stores, newspapers, stores selling wares incidental to rendering personal service, and theaters, motion pictures and cinemas.

An unusual development to meet a special situation is in an amendment to the Michigan law, added in 1935. It sets up a special rate of tax for "branch or chain counters," which are defined as counters situated on premises in which two or more separate business enterprises are carried on. The rates on counters are considerably less than for stores. Both start at $10 per unit, but the maximum rate reached at the number of 26 is $250 for chain stores and $25 for chain counters.

The Law

The legal situation with regard to chain store taxation is in a state of flux at many points. There is a

strong line of decisions permitting the graduated scale of license fees when following the general pattern of the sustained Indiana law. Approval has been expressed by the Supreme Court in cases involving the laws of Indiana, Florida, West Virginia and Kentucky.

However, the fortunes of the graduated receipts tax have been much less successful. The argument seems to be well established that it is improper to exact from "two persons different amounts for the privilege of doing exactly similar acts because the one has performed the act oftener than the other." "The prevailing opinion commits the court to a holding that a tax upon gross sales, if laid upon a graduated basis, is always and eventually a denial of the equal protection of the laws, no matter how slight the gradient or moderate the tax." (Stewart Dry Goods Company v. Lewis [Ky.], 294 U. S. 550). Recent adverse decisions in Florida by the Florida Supreme Court and in Iowa by a three-judge Federal Court indicate approval of the license feature and a flat sales tax, but disapproval of any graduation in rates based upon total sales.

There still remain a number of detailed legal questions for decision. For example, there are many variations of the chain form which have sprung into being in recent years. To what extent are they subject to taxation? And under what circumstances is a retail outlet a "store"?

The Three Positions

There appear to be three main points of view relative to the problem of competition among channels of distribution. The first urges the use of graduated license taxation by States to deal with the chain store problem. This position certainly implies the proposition that the best solution to the apparent difficulty is to penalize or even destroy the chains. Special taxation puts an added burden on chains as they grow in size. It does not require any change in their method of operation, providing they are able to survive at all. One can assume that their operating policies already represent the best guess of the operators as to the procedure which will yield the greatest return under the circumstances. Their competition will presumably take exactly the same form as before the taxes were established. In general, therefore, the license taxes will not be passed on directly to the consumer. Their effect will be rather in the extent to which they reshape the channels of distribution by discouraging the further development or destroying the existing structure of chains.

This position was analyzed simply and clearly in the recent decision of the Florida Supreme Court. The court stated that members of chains enjoy certain chain system advantages and opportunities, that chains and independents are competing with each other, that chains are proving more successful in the competition, that the chain store tax is to preserve a proper and safe economic balance between the two classes of competing business, as well as serve the dominant purpose of raising income for the schools. The extent to which this opinion is held is evidenced by the extraordinary spread of graduated license taxation in the last several years.

There are others likewise seeking to curb the chains, who have endeavored to distinguish between proper and improper advantages apparent in chain operation and then by legislation to prohibit the so-called unfair practices. Such an approach is not necessarily limited to chains but can be extended to include other forms of mass distribution. This point of view lies behind the drive for certain Congressional legislation so much in evidence at the present time.

In general, it has directed its attention to the buying policies of the large distributors, arguing that they are able to obtain discounts and special concessions far in excess of those justified by economies created or services rendered. Because of the importance of the large purchase to the seller, he is helpless in the face of the demand of the mass distributor that he be given a differential price. Consequently, the chain outlet is described as obtaining its products at a much lower cost than the independent retailer. This line of analysis naturally leads to the conclusion that these excessive discounts and allowances should be controlled in some way. To date, the difficulty in this approach has been in devising a method of determining when these discounts are "excessive" and of enforcing such determinations.

Finally, there is the group which is bitterly opposed to either type of effort to control the situation. It sees our modern marketing procedure as the most wasteful step in the economic process at present. It would welcome any experiment or new form which will lower costs to the ultimate consumer. Such individuals seriously resist any legislation which appears to restrict freedom in the area of distribution methods, insisting that the processes of economic evolution must not be hampered. The normal processes of development can best work out the most effective system of distribution without artificial aid or hindrance from legislative bodies.

There are no records available at present to measure the actual effect of this legislation. Although several States had such legislation prior to 1933, the Census records for 1933 showed a gain in the proportion of business done by chains in every single State in the Union, nor were there appreciable reductions in number in the States with taxes. Perhaps the current census, now being taken, will indicate an exact measure of the difference in the figures between States with and without taxes. One needs only the current business news to be aware that the heavy burden of the new taxation is definitely beginning to discourage the expansion and even the current maintenance of chain organizations.

REGIONAL RECORDS FOR RETAILING

On the basis of early returns from the Third Retail Survey, it is possible to picture the different developments of six lines of trade in the different regions. In general, improvement has been most marked on the Pacific Coast and least evident in the Northeast.

FOR many purposes broad statistical averages are misleading. The essential character of an average is its disregard for the many differences among the individual items. It must give a single value which best summarizes the central tendency from which varying conditions may cause particular cases to record variations. Thus, figures for changes in retail sales for the country as a whole are significant as indicating the general tendency. However, further analysis of these over-all averages at once raises the question of how truly any single figure for the entire country depicts the trend in the various regions, in urban and rural areas, or for groups of stores according to size.

There is very little information now available concerning regional trends in retailing. The number of inquiries asking for information about changes in retail sales on the basis of geographical breakdown has led to a preliminary tabulation of available data for six lines by major geographical divisions. The basic data are in questionnaires received from several thousand retailers. The final reports of the Third Retail Survey conducted by the Research and Statistical Department of Dun & Bradstreet, Inc.,* will give as complete an analysis along these lines as the final data will permit. Not only will many more returns be included for the lines here covered, but many additional lines of trade will be covered. The results of this preliminary tabulation are shown in the accompanying table.

INCREASE IN 1935 RETAIL SALES OVER 1934 BY MAJOR GEOGRAPHICAL DIVISIONS

Line of Trade	Stores Number	Per Cent of Increase: Northeast	Southeast	West	Pacific	Total
Grocery	251	7.7	11.3	10.9	13.9	10.1
Grocery and Meat	364	7.2	11.4	14.3	18.9	11.0
General Stores	526	9.5	5.5	7.2	9.2	7.8
Ready-to-wear, Women's	274	6.7	7.2	11.0	5.1	7.8
Filling Stations	201	5.4	20.4	11.1	10.3	10.6
Hardware	243	13.1	13.8	13.6	18.3	14.1

The areas included in each category are as follows: The Northeast region is that usually designated as the industrial East, being the States from Maine to Illinois, north of the Ohio river and including New Jersey and Pennsylvania. The Southeast region includes the area south of the Ohio River and east of the Mississippi, but not including Louisiana. The West includes the States west of the Mississippi and Louisiana, except for the three Pacific States, California, Oregon and Washington, which form a separate group.

The evidence does not indicate any clear-cut pattern of annual change followed by all six lines. Each region recorded the maximum increase in at least one line. The Northeast led in improvement in sales in general stores, the South in filling stations, the West in women's ready-to-wear specialty shops, and the Pacific in the grocery, grocery and meat, and hardware lines. On the basis of all the groups taken together, the Northeast section reports the smallest increase and the Pacific Coast the largest. The exceptions to this general rule relate not only to leadership, but also to lag in certain specific lines. In the women's ready-to-wear specialty shops, for example, the Pacific Coast showed the smallest percentage gain. The number of stores whose returns are now available is not sufficient to justify breaking the material into smaller geographical areas.

There is very little statistical data now published which can be used to support or disprove the information here presented. The available indexes concerning chain store sales are based upon national figures and it is impossible to break them into regional material. The Rural Retail Sales Index, published by the Department of Commerce, shows surprisingly little variation by sections of the country. The average increase in these rural sales was 19 per cent, the lowest being the East with 17 per cent, and the highest the South with 20 per cent.

The only other comprehensive series of regional retail reports is the data of the Federal Reserve Banks for department stores. This record reinforces the summary here presented, for although the average increase is only 5 per cent, nevertheless, the Northeast area has the poorest record and the Pacific Coast the highest.

* See DUN & BRADSTREET MONTHLY REVIEW, January, 1936, page 18, for a brief description of the Survey and the issue for February, 1936, page 2, for a summary of total sales and inventory.

THE POTENTIAL DEMAND FOR NEW HOME BUILDING*

There are seven factors which contribute to the present potential demand for new home construction. After examining these and other indicators, the author states: "New building has started, the potential demand for homes is great, the economic factors are increasingly favorable."

IN 1935 twice as many urban family dwelling units were built as in any year since 1931. This spectacular improvement indicates that people are again becoming able and willing to buy new homes. The gates have opened to a pent-up demand. The reality of that demand is certified by the decrease in vacancies in many cities to the point where new building must take place, and by the steady rise in rentals. For the first time, therefore, it becomes permissible and practical to analyze the nature and the volume of that demand and see how many new homes are likely to be built in 1936 and thereafter.

The term "potential demand" as used in this article means the actual reservoir of economic demand which has slowly piled up over the last six years. It does not refer to an elusive social "need" for more and better housing, nor to changing basic social attitudes which make home-ownership desired by greater numbers, nor to economic developments—such as less expensive financing—which make it more convenient. Seven factors contribute to the present potential demand:

1. Stagnation of building during the depression.
2. The large marriage reserve.
3. The decreasing size of the average family.
4. The widespread doubling-up of families.
5. The accumulated obsolescence and depreciation.
6. The desire of home owners to escape from rundown neighborhoods.
7. The net population movement from farms to cities.

Building During the Depression

Estimates of building permits in all cities of 25,000 and more population show a drop from 411,775 family dwelling units in 1928 to less than 24,000 in 1934, according to compilations made by the Division of Research and Statistics of the Federal Home Loan Bank Board from permit data reported to the Bureau of Labor Statistics. In the seven years, 1921-1927, an average of 446,400 dwelling units were provided each year; in the succeeding seven years, 1928-1934, the yearly average dropped to 142,800. In the worst years, 1932, 1933, and 1934, permits for new dwelling units dropped to about 7, 6, and 5 per cent, respectively, of the 1921-1927 average.

It seems, therefore, that new building failed to keep step even with the increase in the number of families during these poorest years—to say nothing of providing for necessary replacements on account of demolitions, obsolescence, and depreciation.

The Large Marriage Reserve

One of the most significant forces affecting the demand for homes is the net increase in the number of families from year to year. This growth depends on an excess of new marriages over marriages broken up. Dissolutions of marriages are caused by deaths of married persons, divorces, and separations. None of these is influenced by the business cycle sufficiently to have an important influence on the number of families. However, experience proves that the marriage rate is acutely sensitive to the ups and downs of general business activity. In periods of prosperity, the marriage rate rises and more families are created than are dissolved by the fairly constant death and divorce rates. In periods of depression, the marriage rate falls and new families created tend to fall short of the dissolutions. Thus, the decline in marriages in 1893, 1894, 1904, 1908, 1921, and 1922 undoubtedly reflects the pressure of the financial depression in those years. Beginning in 1929 the drop was extremely rapid, marriages falling on the average of about 83,600 each year from 1929 to 1932, or from 10.14 marriages per 1,000 total population in 1929 to 7.87 in 1932, the lowest number ever reported, and the latest date for which a Census figure is available. The small number of marriages from 1929 to 1932 was undoubtedly a major influence in reducing the demand for homes during that period.

But the depression only postpones marriages; it does not permanently eliminate them. For the most part, the couples who were forced to forego marriage in bad years will get married in the succeeding good years. This can be predicted on the basis of an exhaustive study made by Real Estate Analysts, Inc., of marriage rates in the metropolitan St. Louis area going back to 1881. Without fail, each major depression was accompanied by an exceedingly low number of marriages, during which period a marriage "reserve" accumulated. As prosperity returned, the marriage rate rose suffi-

* Originally published on pp. 121-125, Vol. II of the January, 1936, edition of "Federal Home Loan Bank Review," Washington, D. C.

ciently above normal to absorb this reserve. Provisional estimates made by Dr. Warren S. Thompson of the Scripps Foundation for Research in Population Problems on information obtained from ten States indicate that marriages rose sharply in 1933 to 8.6 per 1,000 total population, and in 1934 to 9.8. This brought the rate above that in 1931 and even 1930. If more complete data confirm his estimates, it would seem that the accumulated deficit was being made up even before the business recovery got well under way. Dr. Thompson's explanation is that the belief in a better future led many people who had long postponed marriage to marry even though a job had not actually been secured.

Real Estate Analysts, Inc., reports a present marriage reserve in metropolitan St. Louis of about 33,000 couples. Other cities have been found to have reserves of comparable size, in proportion to the total number of marriageable adults. On the basis of these surveys, most cities at present are estimated to have an accumulated reserve of one and one-half times the normal annual number of marriages. When these delayed marriages take place, they will greatly increase the demand for new homes. In the opinion of Real Estate Analysts, Inc., delayed marriages have been the biggest contributing factor to the building booms which followed former depressions.

Decreasing Size of Family

It must also be noted that the average size of the American family is constantly decreasing and that in the future more dwelling units will be required per 1,000 population than in the past. The Census estimates that the average size of the family is falling at the rate of about two-tenths of a unit per decade. In 1900 it was 4.60 persons per family, whereas it had dropped to 4.01 in 1930. In other words, 1,000 persons constituted 217 families in 1900, 250 families in 1930, and upon the basis of the Census estimate, will constitute 262 families in 1940. This means that 1,000 people required 15.2 per cent more dwelling units in 1930 than they did thirty years before, and will probably require 4.8 per cent more in 1940 than in 1930. While this phenomenon is slow-moving and not likely to augment measurably the immediate demand for homes, it is a tendency which has the long-run effect of offsetting the slower rate of population growth.

In this connection, there seems to be an increasing tendency in modern life for families to "split" when they are financially able. That is, married children cease to live with their parents, mothers-in-law take separate quarters, older children set up for themselves, and roomers move into apartments. Referring to this movement in England, *The Economist* (London) of November 2, 1935, remarks:

The Registrar-General estimated an increase of 771,000 "families" in ten years, but there has been an increase of nearly 1,000,000 in four. This most significant social phenomenon is explainable only by a widespread tendency for families to "split."

These 600,000 or so families that have appeared in England since 1931 in excess of the number which was predicted on the basis of birth and marriage rates represent approximately 6 per cent of the total number of families. While we have no statistics to gauge the amount of "splitting" which normally takes place in this country, it is reasonable to believe that financial hardships of the depression years have kept thousands of families united in single homes who in better times will take more than one dwelling unit each.

Widespread Doubling-Up

The basic reason that the growth in families during the depression did not express itself in an increased demand for homes was the artificial contraction in the use of housing space resulting from the doubling-up of families. Just as in the case of delayed marriages, doubling-up keeps individuals in other people's homes when they would normally have homes of their own. A measure of the number of families that used this method to cut down expenses is contained in the findings of the 1934 Real Property Inventory of 64 cities, representing 14.7 per cent of the total national urban population. This inventory disclosed that 183,200 families or 7 per cent of the 2,612,102 families canvassed, were living with other families and reported a desire to take separate quarters as soon as they were able. The greatest doubling-up was reported in the South Atlantic States and the least in the Pacific States.

If these 183,200 doubled-up families are compared with the 187,372 vacant dwellings reported by the Real Property Inventory as fit for use, it appears that there were only 4,172 excess habitable dwelling units in 64 cities. These figures must not be taken too literally, for many of these families will never "undouble." However, a proportion will when they can, and this will contribute to the housing shortage.

We have now seen that the normal "new-family" demand for homes has been constrained in recent years by: (1) a subnormal marriage rate; (2) extensive doubling-up; and (3) reduced splitting-up. These are all artificial limitations in the use of housing space which oppose deeply rooted social desires of our people and for that reason cannot last forever.

Obsolescence and Depreciation

Replacement of homes during the depression approached zero. Aside from recent slum-clearance projects, the demolition of a dwelling to erect another on its site has been a rare occurrence. Properties were permitted to decay to such a degree that new construction is now more advisable in many cases than repair. Of the 2,633,135 dwelling units included in the Real Property Inventory, 58,747, or 2.2 per cent, were found to be unfit for human use; 405,847, or 15.4 per

cent, were in need of major repairs; and 1,167,950, or 44.4 per cent, required minor repairs. Only 998,111, or 37.9 per cent, were discovered to be in good condition.

While the rate of replacement may be expected to increase slowly in view of the wide difference in costs of old and new properties, accumulated depreciation and obsolescence have certainly made demolition and rebuilding economic in an increased number of circumstances.

Deterioration of the neighborhood is just as real a liability to the home owner as physical deterioration of the dwelling itself. The intrusion of uses that make neighborhoods undesirable for residential purposes is constantly taking place in our cities. In times of financial distress home owners make the best of such a situation, but in prosperity many can and do move to more desirable neighborhoods. This desire to desert run-down neighborhoods is undoubtedly a real part of the pent-up demand for homes.

Also, in normal years a certain number of residential sites give way to light-manufacturing plants, filling stations, stores, and other income-producing enterprises. Old homes are razed and new ones provided elsewhere. This evolution in land use has been largely halted because of industrial stagnation, thereby creating a potential demand for new homes which will be active when business expansion restores this trend in residential land conversion.

Movement from Farms to Cities

In 1930 for the first time in our history the net movement from farms to cities was reversed. Unemployment in large cities forced thousands to migrate to rural areas where their chances of making a living were better. The Bureau of Agricultural Economics of the Department of Agriculture reports a net movement of 764,000 city dwellers to farms during the three years, 1930, 1931, and 1932. Today large numbers of these people are again finding work in factories, mills, and city shops, and as a result, the cities are once more attracting more than they send away. According to the Bureau of Agricultural Economics, there was a net movement from farms to cities of 227,000 persons in 1933 and of 211,000 in 1934. If industrial recovery continues, this movement will persist, and thousands of people now making their homes in rural areas may be counted as potential occupants of urban dwellings.

Lower Vacancies and High Rentals

As already pointed out, there are two signs which show when this potential demand is ready to translate itself into new building. One is a low percentage of vacancies and the other is a rise in rentals.

According to *The Real Estate Analyst*, vacancies for all types of family dwelling units in St. Louis stood at 3.9 per cent in November, 1935. This represented a progressive drop from 5.4 per cent in November, 1934, 9.1 per cent in November, 1933, and from 12.8 per cent in November, 1932. The Detroit Real Estate Board's survey of the housing situation in Detroit reported vacancies and units-for-sale at the end of 1934 of 4.3 per cent for single-family dwellings, 2.6 per cent for two-family dwellings, and 2.6 per cent for apartment houses. A study made last Spring by the Federal Home Loan Bank Board, extending to 2,000 savings and loan associations and mutual savings banks, revealed that the vacancy ratio was falling in nearly all cities except in New England and stood at about 5.2 per cent. The National Association of Real Estate Boards, in its semiannual survey of July, 1935, discovered less than 5 per cent vacancies in 69 per cent of the cities included.

It has been the experience of real estate experts that when the vacancy ratio approaches 3 per cent, new construction expands rapidly. Obviously, we are near that point.

Rentals will naturally go up as vacancies go down. The National Association of Real Estate Boards reported rentals on the up-grade for one-family houses in 71 per cent of the 251 cities included in its July, 1935, semiannual survey; for two-family houses, in 57 per cent; and for apartments, in 65 per cent. The National Industrial Conference Board's index of housing rentals (compiled on the basis of leasings actually made during the month in 173 cities), based upon 1923-1925 as 100, has risen without a setback since the depression low of 60.6 per cent registered in January, 1934. In November, 1935, it stood at 70.6 per cent, contrasted to 64.4 in the same month of the previous year.

Home Building Possibilities

New building has started, the potential demand for homes is great, the economic factors are increasingly favorable. What, then, may we expect of 1936 in new building? Estimates vary widely. One forecast sees 500,000 new dwelling units in 1936; another nearly 1,000,000 in the next two years. We shall perhaps be safer to follow the guidance of the industrialists who have money at stake and so can little afford to be wrong. Thus, manufacturers of building materials are said to be budgeting an increase of 75 to 100 per cent in home-building activity next Spring over 1935. One manufacturer in a recent address said there should be about a 100 per cent increase in 1936.

It may be acknowledged that a physical shortage of homes exists, that increases in rentals and prices are closing the gap between existing and new construction values, and that increased national income and easier financing are improving the nation's ability to pay for homes. These factors are still somewhat offset by the continued disequilibrium between construction costs and rentals which tend to discourage new building.

However, if only the same percentage of gain is experienced in 1936 as in 1935, the new year will see over 200,000 homes built. Compared to the low levels of the last five years, that will be a boom.

THE TREND OF TAX DELINQUENCY 1930-1935

by FREDERICK L. BIRD

This article is taken from a detailed report concerning cities of over 50,000 population prepared by the Municipal Service Department, Dun & Bradstreet, Inc. This Bulletin, the fifth of an annual series, presents a six-year record of municipal experience in collection of the general property tax, beginning with 1930 as a base and carrying the annual trend to the close of the 1935 fiscal year. The 150 cities (excluding Washington, D. C.) of over 50,000 population are used as a representative cross-section of conditions as they have existed nationally.

THE majority of American cities, as a result of further improvement in tax collections in 1935, had no difficulty in balancing their budgets on a cash basis. A not inconsiderable number of them, in fact, ended the year with unencumbered cash balances. This encouraging state of affairs is a result, not so much of any phenomenal increase in collection of the year's current taxes as of the augmenting influx of revenue from the huge accumulation of delinquent taxes which had been piling up for several years. While collections on the current levy in 1935, for the average city, were still behind those of 1931 and only slightly better than 1932, total collections for the year tended to run ahead of the year's levy.

The Trend of Delinquency

Tax delinquency in some cities began to show an upward trend as far back as 1925, particularly where land and building booms had created an unsubstantial tax base. There was a warning in this movement which might have been noted had the delinquency index received more attention in the late 1920's. Through 1930, however, the increase in delinquency had not become universal and it had not gained sufficient momentum to threaten seriously the balancing of municipal budgets. The median tax delinquency for 150 cities of over 50,000 population in 1930 was 10.15 per cent, a record still sufficiently close to normal to make its reattainment appear, at the present time, a fairly satisfactory objective of recovery.

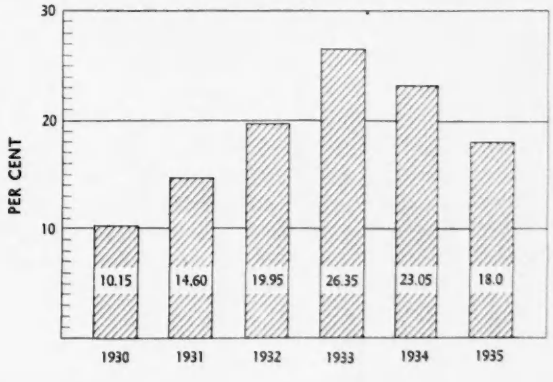
The accompanying chart shows the median year-end delinquency for 150 cities for each year from 1930 through 1935 inclusive. In the computation only those cities have been used which employ a uniform basis for reporting and for which six years of comparable figures were available.

The Rising Delinquency Trend Through 1933

In 1931 the mean delinquency rose 4.45 points to 14.6 per cent, still a fairly comfortable state of affairs from our present point of view. But in 1932 taxpayers stopped paying taxes in earnest and delinquency rose to 19.95 per cent. The following year brought with it its sweeping inundation of bank closings and frozen funds and tax delinquency reached a peak, in 1933, of 26.35 per cent. The average municipality, in other words, had suffered an increase of 16.2 points in delinquency and was trying to struggle along and make ends meet with over one-fourth of its anticipated revenues unpaid.

The median figure, needless to say, did not reflect all the realities of the situation. At one extreme were municipalities whose tax delinquencies in 1933 had mounted to thirty, forty, fifty and even as high as sixty per cent. It is not strange that under such circumstances some of them reached the financial breaking point, piled up unmanageable operating debts, resorted to the use of scrip, left large accumulations of bills and salaries unpaid, and defaulted on bond principal and interest payments. At the other extreme, a not inconsiderable number of cities continued to secure excellent tax collection results, some of them still showing a lower end-of-the-year delinquency in 1933 than the average city had for 1930, and some reflecting unusual stability through a relatively small increase from normal delinquency.

TREND OF TAX DELINQUENCY, 1930-1935



Two Years of Recovery

The year 1934 marked a general reversal of the long and discourag-

ingly adverse trend. The median year-end delinquency in 1934 was 23.05 per cent, an improvement of 3.3 points from the 1933 peak. While this very modest degree of improvement fell short of reducing the general average even to the 1932 level, it was somewhat reassuring because it was participated in by 83 per cent of the cities. In most of the relatively few instances in which there was a continued decline in current tax collections it was very small.

A further cause for encouragement, not reflected in the small statistical improvement in current collections, was the influx of back taxes. The increase here was greater than in collections of current taxes, partly because it was logical for owners to seize the first opportunity presented by increasing income to save their property from being disposed of for taxes, partly through such special inducements as the waiving of penalties and the provision for installment payments, but probably more through the aid of the Home Owners' Loan Corporation, as to January 31, 1935, $141,829,000 of the organization's loans went to the payment of back taxes.

The decline in year-end tax delinquency continued in 1935 and at a slightly more rapid rate than in the previous year. Compared with a decline of 3.3 points in 1934 the median delinquency level fell 5.05 points to 18 per cent. Thus while 1935 results were still considerably behind the 14.6 per cent level of 1931, they indicated that half the ground lost since 1930 had been regained.

The universality of improvement in 1935 was even more marked than in 1934. While some of the gains were still negligible, further losses were restricted to very minor ones by not more than four or five municipalities on the list.

The Importance of Administration

Since tax delinquency is as much an index of administrative efficiency as it is of taxpaying capacity, there is always the question as to what part of a given delinquency ratio represents inability to pay and what part official negligence regarding collection. The fact that some cities experiencing only average economic recovery were able, in 1935, to better their 1930 collection records, bears testimony of ineffective collection methods in the past.

The last two years have seen conflicting trends in the matter of tax collection administration. On the whole there has been a tightening of systems as city after city, hard pressed for revenues, has held long-postponed tax sales, enforced penalties or even increased them, provided for installment payments, worked out better synchronization of tax and fiscal years, adopted better billing and record-keeping methods, or gone in for active tax collection in a businesslike manner.

There have been enacted, on the other hand, a confusing array of laws in a large number of States providing for remission of interest and penalties on back taxes, for installment payments over a period of years, and even attempting the writing off or compromising of old taxes. Some of them have appeared unfair to prompt taxpayers, though it is difficult to criticise those which have brought reasonable and judicious relief to distressed property holders. It is very doubtful that some of them, because of their disruption of well ordered methods of procedure, have produced benefit in the form of increased revenues; others unquestionably have done so when they have made the privileges regarding delinquent taxes contingent upon prompt payment of current levies. Regardless of these special influences, however, the fact remains that in a not inconsiderable number of cities there has been little or no change in antiquated, unbusinesslike methods of collection. Penalties remain so low that the city is used as a loan office; tax sales are never held and no pressure is placed on arrears until property changes hands; no tax bills are sent out in advance of the due date, or a single penalty date is placed late in the year; the enforcement of liens is beset with expensive legal procedures; or the collector is an elective officer who shuns the unpopularity of rigid collection enforcement.

The tax delinquency level and trend in a given city, therefore, is not necessarily an accurate measure of economic stability or financial capacity. For a clear interpretation of the statistics the collection system must be taken into account. Making some allowance for this condition, certain general observations regarding both the amount and irregularity of the increase and improvement in tax delinquency appear justified.

The Underlying Factors

The improvement in tax receipts, on the whole, has not kept pace with general business recovery. The average results for 1935, as has been shown, were only slightly better than for 1932. The chief explanation appears to rest in the fact that real estate, as to income and activity, has failed as yet to show any healthy degree of recovery. While mortgage foreclosures have shifted much property into stronger hands, thereby restoring tax payments, the deflation of speculatively held unimproved property is acting as a deterrent in many areas to the more rapid reduction of delinquency levels. Detailed analyses of tax delinquency have shown almost invariably that unimproved property is responsible for much more than its proportionate share. Cities with the largest number of abandoned subdivisions, therefore, are likely to be slowest to return to a normal collection basis. Until construction revives sufficiently to stimulate the demand for building sites and there is a general revival of real estate a lag may be anticipated in tax collections.

A general classification of cities which suffered a greater than

average decline in tax collections shows, as might be anticipated, that they included primarily those with a single dominant industry—notably automotive, steel, building material, railroad shops; resort communities; victims of excessive real estate promotion; and those which experienced the most severe banking disorders. A few instances are explained by litigation over taxes and assessments. In the majority of cities in these groups the amount of recovery has been less than average. This is particularly true of the automotive cities as a class, despite the rapid and extensive recovery of the industry. The fact of their recent rapid growth and accompanying real estate speculation offers a partial explanation. It should be added, however, that the latest annual statistics for most of this group were for the fiscal year closing June 30, 1935, and that further progress in reducing tax delinquency is reported currently.

Total Collection in 1935

As accumulations of delinquent taxes mounted higher and higher during the intensification of the depression it became apparent that when the tide turned there should be a liberation of these frozen assets which would greatly expedite municipal financial recovery. By the close of 1933 many cities found themselves with uncollected taxes approximating or even exceeding an entire year's levy, a condition under which the realization of even a relatively small percentage would serve to offset the delinquencies on forthcoming levies.

Cities began to experience the advantage of this very markedly in 1934, particularly, as has already been mentioned, through the activities of the Home Owners' Loan Corporation. It was feared, in fact, that without equivalent federal aid in 1935 there might be a recession of this great boon to budget balancing. This did not, however, prove to be the case. In many instances collections of back taxes in 1935 did not rise above the 1934 level, or were even slightly less, but this was more than offset by the increase in current collections.

The average city, in 1935, had the novel experience of collecting a slightly larger amount of taxes than called for in the current levy. The median ratio of total collections to the year's levy was 101 per cent. Total collections in only six fell below 90 per cent and in only 19, below 95 per cent. Several rather extraordinary results were obtained, such as the collection, in Seattle, of 122.9 per cent of the year's levy, 118.1 per cent in Cleveland Heights, 112.6 per cent in Holyoke, 111.8 per cent in Fort Worth and 109.6 per cent in Philadelphia.

The effect of this influx of taxes could hardly be other than beneficial to the average city's current financial position. To what extent it contributed, in each instance, to the balancing of the budget in 1935 and to simplifying the problem for 1936, however, depended on such factors as how far delinquent taxes were unencumbered and unpledged and how the 1935 receipt estimates had been made. Municipal budgetary procedure has made very satisfactory progress in the matter of estimating expenditures and living within appropriations; but the estimating of receipts, as depression experience has painfully demonstrated, has been somewhat perfunctory and unrealistic in many cities.

The practices of cities are too varied to attempt more than a very generalized description. A relatively small, but increasing, number of municipalities have been following the policy of computing anticipated receipts on the basis of actual experience and reasonable expectations. They are the ones most likely to have closed the year with cash surpluses. More, at the other extreme, include the entire current levy in the budget, depending on delinquency collections and borrowing to make up the difference. Others range between these two systems. Except where tax collections have been unusually good the dependence on hypothetical full collections has meant the increase of floating debt in recent years. Collections above 100 per cent in 1935 in such places served to meet the year's own expense and permitted some reduction in operating loans, warrants, or unpaid bills as the case may have been. In a considerable number of cities large accumulations of floating debt have been funded to avoid serious financial complications. Where, as in some instances, delinquent taxes have been pledged for the retirement of funding bonds, the inflow of back taxes is of little aid in budget balancing. In the event, however, that provision for retirement is through the regular budget over a period of years, municipalities have been able to make a new start, so to speak, in their current financial operations and 1935 budgets had the full advantage of total tax receipts.

Collecting Delinquent Taxes

Attention has been centered, thus far, on the collection of taxes within the year of levy and on the volume of total collections in 1935. While the significance of the improvement in the collection of taxes in arrears has been stressed, there remains the important question of their ultimate collectibility.

In normal times practically all realty taxes levied have proven ultimately collectible where collection administration was organized with even a moderate degree of effectiveness. This did not always apply to personal property taxes but their relative proportion of the total was sufficiently small to have but a minor effect on total results. Fears have been expressed that the deflationary influences of the depression would necessitate the ultimate writing off of large amounts of taxes levied as unrealizable, thus rendering supposedly only temporarily frozen assets exceedingly undependable. In the case of taxes

concluded on page 44

WIDER GAINS RECORDED FOR ELECTRICAL GOODS SALES

by RAYMOND BRENNAN

MOVING forward at the best rate that has marked its progress since 1929, improvement spread to all branches of the electrical supply trade in 1935. With an average gain of 30 to 40 per cent, the increase in sales over the 1934 totals ranged from 15 to as much as 90 per cent, with some household appliances reaching new highs and abrupt rises in most industrial equipment divisions. In spite of the distance covered last year, the uptrend has been extended thus far in 1936, with estimates of the achievement for the full twelve months set at 15 to 25 per cent ahead of 1935.

The widening popularity of all types of electrical appliances and the greater dependence placed on electric motive power were reflected in the new peak established by electric output in 1935. The total rose to 92,328,354,000 kilowatt-hours, according to the compilation of the Edison Electric Institute, an increase of 8.7 per cent over 1934, and compared with the average annual gain from 1922 to 1929 of slightly over 12 per cent. In addition, it marked a new high, as it surpassed by 2.7 per cent the record that had held since 1929 at 90,084,428,000 kilowatt-hours.

Electric Output at Peak

An all-time peak also was established for the consumption of electricity by domestic users in 1935, when the total rose to 13,978,038,000 kilowatt-hours, or a gain of 9.2 per cent over the 12,797,635,000 kilowatt-hours consumed in 1934. The revenues of the electric light and power industry, however, did not keep pace with the rise in consumption, as the total for 1935 was only $1,919,000,000, which was a gain of but 4.5 per cent from the 1934 revenues of $1,837,000,000.

This compared with $1,773,400,000 in 1933, and the all-time high of $1,990,995,100 in 1930. While the total revenue for 1935 was smaller than in 1931 and 1929, it was larger than that for all other years. As the result of increased expenses and taxes, however, neither net earnings nor net incomes were much above the 1934 figures.

Electric Output *

Year	Kilowatt-hours	Per Cent Change
1926	67,989,782,000	
1927	73,244,445,000	+ 7.7
1928	80,453,498,000	+ 9.8
1929	90,084,428,000	+12.0
1930	88,591,736,000	— 1.7
1931	85,575,307,000	— 3.4
1932	76,885,248,000	—10.2
1933	79,259,087,000	+ 3.1
1934	84,930,882,000	+ 7.2
1935	92,328,354,000	+ 8.7

(*) Source: Edison Electric Institute.

Intensive Promotions Planned

Prospects for Spring business are viewed with renewed confidence by both manufacturers and distributors. Improved industrial activity, a constantly-widening movement of household appliances, aided by Government and banking co-operation, and a further expansion in residential construction constitute the brightest aspects that have been present at the beginning of any year since 1928.

Four special promotions to be launched in April, June, October, and December form a part of the sales program undertaken by manufacturers of electrical household appliances, in co-operation with the Edison Electric Institute, in an endeavor to push 1936 totals above those of 1935. Between these focal selling periods, the various State groups of manufacturers, wholesalers, and retailers will concentrate on some specified item to build volume. April is to be the "electrical housekeeping month," as particular attention will be directed to washing machines, irons, coffee percolators, table cooking accessories, and clocks, although all kinds of appliances will be featured.

The "electrical wedding month," which will be promoted in June, will be accompanied by an extensive advertising campaign to acquaint the public with the various types of appliances that would be suitable as gifts for the newlyweds. "The buffet serving month" in October will bring into prominence table grills, sandwich toasters, casseroles, special servers, and all the other paraphernalia needed by the perfect hostess. Early in December, the "electrical housewares week" will be devoted to all the various labor-saving kitchen appliances, and will include almost everything from mechanical mixers to vacuum cleaners.

Production Gains Extended

Increases averaging 30 to 50 per cent, and running as high as 75 per cent, made during 1935 are being carried forward into the current year by producers of power apparatus, including motors, controls, switches, and other industrial equipment. Gains for January and February in these lines were as much as 50 per cent over the 1935 comparatives, with manufacturers looking for further increases during the second and third quarters. In the production of lighting products and household appliances, the gains of 20 to 35 per cent in 1935 have been further extended.

Employment in the electrical manufacturing industry in 1935, as measured by both number of persons occupied and by pay rolls, improved over 1934, just as 1934 showed an improvement over 1933. The total of persons employed, expressed as an index number compiled by the National Electrical Manufacturers Association, using 1931 as 100, stood at 86.2 at the close of 1935. This compared with 72.8 in 1934 and 63.4 in 1933.

Efficient management within the industry is indicated by the fact that for a group of twenty-one manufacturers, whose figures are available, only one reported a loss for the first three quarters of 1935, compared with five companies reporting losses in 1934. Nevertheless, the industry cannot, as yet, be considered to be on a satisfactory profit-making basis, because the net income reported by these manufacturers for 1935, estimated from the nine months' figures, was not much more than $40,000,000. The two largest of these manufacturers alone reported in 1929 a net income of $76,000,000.

Utilities to Spend More

Probably the widest improvement over the lows of 1932 has been recorded for the household appliance and refrigeration divisions. Next in order would be placed transmission and distribution apparatus, industrial equipment, wire and cable. The recovery in electric light bulbs also has been uninterrupted, factory sales of incandescent lamps in 1935 totalling 707,000,000, according to the General Electric Company, an increase of more than 11 per cent over the previous high of 634,233,000 in 1929.

Value at factory of electrical equipment sales in 1935 was placed by the *Electrical World* at $850,000,000, or larger by 21 per cent than its 1934 figure of $700,000,000, to which output had increased from $549,988,599, the value of products computed by the Bureau of Census in 1933. For a selected group of appliances, the wholesale value of 1935 production was given as $688,600,000, with the 1936 total estimated at $860,000,000, which would be larger by about 25 per cent.

Incandescent Lamp Sales *

Year	Total—All Types	Per Cent Change
1926	500,000,000	
1927	536,963,490	+ 7.4
1928	564,000,000	+ 5.0
1929	634,233,000	+12.5
1930	575,163,000	− 9.3
1931	565,718,000	− 1.6
1932	533,868,000	− 2.1
1933	617,550,000	+11.5
1934	625,889,000	+ 1.4
1935	707,000,000	+13.0

(*) Source: *Electrical Merchandising.*

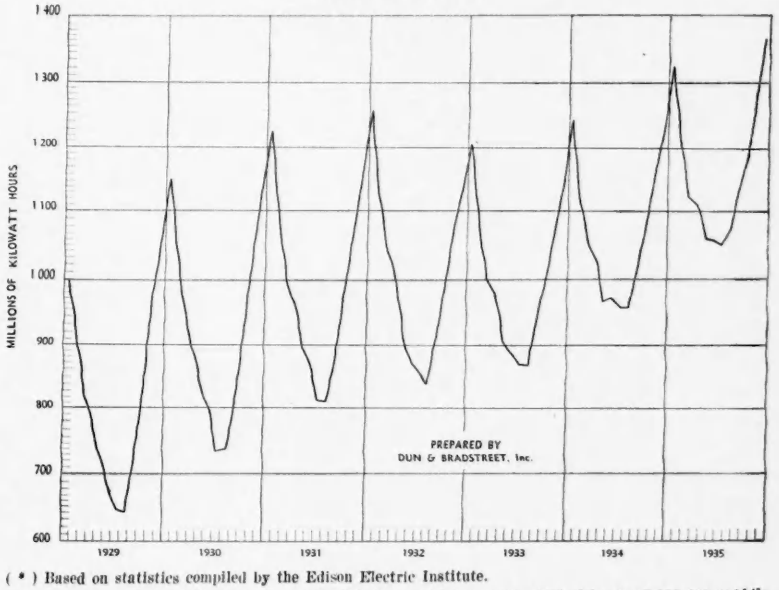
While the lag in the electrical manufacturing field, compared with the progress made by some of the other key industries, undoubtedly can be traced to the slowness of recovery in the heavy goods division, particularly in the manufacture of power generation, distribution and transmission apparatus, at least some expansion in these branches is in prospect for 1936. Based on the budgets announced by 20 of the leading systems, the electric power and light industry, as a whole, will spend around $300,000,000 in 1936 for additions and extensions, as against $238,000,000 in 1935. Practically 80 per cent of the average budget will be expended for distribution work, with rural line extensions featured.

During the ten years prior to 1929, the annual capital expenditures of the public utilities averaged more than $700,000,000. The peak construction period was in 1930, when the utilities spent nearly $1,000,000,000 in the expansion of facilities. It was the abrupt increase in that year, which soon proved costly, that enabled the industry to take care of the largest demand for electricity in its history in 1935, without creating any fear regarding inadequate generating capacity.

Sales Rise Unchecked

In the retail field, electrical household goods were among the leaders during 1935, with fixtures of various types making a particularly good showing. Sales of refrigerators, ironers, washing machines, vacuum cleaners, table appliances, labor-saving devices for the kitchen, and stoves contributed to a combined average that was better by 30 to 50 per cent than that for 1934. The distribution of electrical supplies, such as

ELECTRICITY SOLD TO ULTIMATE CONSUMERS *
(Domestic Service)



(*) Based on statistics compiled by the Edison Electric Institute.

The consumption of electricity in the home established a new high record in 1935, rising to 13,978,038,000 kilowatt-hours, a gain of 9.2 per cent over the 1934 total of 12,797,635,000. Because of a sharp reduction in price during the year, the average rate was only 5.0¼ cents a kilowatt-hour, the lowest in the industry's history.

wiring, conduits, fixtures, and other items used in repair work advanced from 30 to 45 per cent.

Surpassing all records, world sales of household electric refrigerators by manufacturers to distribution outlets reached a total of 1,688,000 units in 1935, according to the calculations of *Electric Refrigeration News.* This was larger by 21.4 per cent than the 1934 sales of 1,390,000, and established a new high for this division. With a 25 per cent increase set for production schedules this year, 1936 unit volume will pass the 2,000,000-mark.

For electric ranges, which registered an increase of 50 per cent in each of the last two years, 1935 unit sales were 215,000, with the retail value placed by *Electrical Merchandising* at $27,305,000. Unit sales of washers were 1,209,176, with a retail value of $78,665,786, while ironing machine sales in 1935 were 140,601 units, valued at $7,682,435.

Price Structure Firm

While some minor fluctuations occurred during 1935, wholesale prices practically were unchanged, and at the beginning of 1936 the general level remained at about its comparative 1935 level. Light bulbs declined around 25 per cent, and advancing quotations on copper tended to strengthen prices of wire and industrial equipment.

Any revisions made during the current year, however, are expected to be in an upward direction. In fact, some of the supply houses are stocking up on staples, in anticipation of higher price levels before July, due to the constant extension of 1935 sales gains.

Retail collections during 1935 approximately were on a level with the 1934 status, although some concerns reported an improvement of 6 to 10 per cent. Wholesalers' payments, in many instances, did not make so good a showing as in 1934, suppliers having more outstandings with contractors working on Government jobs.

Sales of Electric Refrigerators *

Year	No. of Units	Retail Value
To 1920	10,000	$6,000,000
1921	5,000	2,750,000
1922	12,000	6,300,000
1923	18,000	8,550,000
1924	30,000	13,500,000
1925	75,000	31,875,000
1926	210,000	81,900,000
1927	390,000	136,500,000
1928	560,000	187,040,000
1929	840,000	245,280,000
1930	850,000	233,750,000
1931	965,000	248,970,000
1932	840,000	163,800,000
1933	1,080,000	183,600,000
1934	1,390,000	239,080,000
1935	1,688,600	.....

(*) Source: *Electric Refrigeration News.*

Major Product Sales (Estimated) *

Class of Product	1935 (000 omitted)	1936 (000 omitted)	Per Cent Increase
A. C. generators, inc. generator end of prime movers	$25,000	$35,000	40
Synchronous condensers and frequency changers	2,200	3,000	36
Motor-generator sets	5,000	7,000	40
Distribution transformers, 1.5 to 500 kva	15,500	20,700	27
Power transformers, 500 kva. and up	8,000	12,000	50
Instrument transformers	2,500	3,200	28
Induction motors, polyphase and single phase, 1 hp. and over	35,000	42,000	20
Fractional-horsepower motors	32,000	38,000	18
Synchronous motors	3,000	4,200	40
Switchboards and accessories	12,500	15,000	20
Metal-inclosed switchgear	4,000	4,500	12
Circuit breakers ‡			
Oil	8,000	10,000	25
Air	1,000	1,500	50
Disconnect switches ‡	3,000	4,000	33
Knife switches ‡	1,200	1,600	33
Meters ‡	15,000	18,000	20
Arresters	3,000	3,600	20
Induction regulators ‡	2,000	2,800	40
Furnaces, industrial	4,500	5,000	9
Industrial heating devices, other than ovens and furnaces	3,000	3,800	26
Welding apparatus and supplies	11,000	13,200	20
Industrial control	29,000	32,000	15
Conduit and fittings	40,000	44,000	10
Insulators ‡	1,500	1,800	20
Cable, underground	25,000	29,000	16
Total	$291,900	$354,900	

Average increase of 21.6 per cent over 1935.
‡ Not included in switchboards.
(*) Source: *Electrical World.*

Increase in Failures Small

The downtrend of failures among manufacturers of electrical supplies, which started in 1932 was continued in 1935, lowering the number to 15, or the fewest since 1929, when the total was 13. This was a decline of 3 from 1934, and contrasted with the peak established at 57 in 1931. Bankruptcies of wholesalers and retailers, on the other hand, increased 5 in 1935, rising to 54 from 49 in 1934. The latter marked the all-time low for this division, and was an abrupt decline from the record high of 169 in 1932.

While the defaulted indebtedness of the manufacturers that failed in 1935 increased to $331,697 from $233,588 in 1934, the total for wholesalers and retailers dropped from $635,054 in 1934 to $504,495. This brought involved liabilities for both divisions in 1935 down to $836,192, the smallest on record, a decline of 3.7 per cent from the 1934 total of $868,642, and less by 80.6 per cent than the all-time high of $4,304,629 reached in 1928.

The complete insolvency record of the electrical supply trade from 1927 to 1935, inclusive, as compiled by Dun & Bradstreet, Inc., shows:

Manufacturers

Year	Number	Liabilities
1927	19	$897,592
1928	16	257,400
1929	13	232,900
1930	24	453,848
1931	57	1,571,158
1932	40	1,306,119
1933	31	499,118
1934	18	233,588
1935	15	331,697

Wholesalers and Retailers

Year	Number	Liabilities
1927	157	$2,259,738
1928	126	4,047,229
1929	123	2,455,900
1930	143	2,509,904
1931	160	2,250,976
1932	169	3,283,054
1933	106	1,840,666
1934	49	635,054
1935	54	504,495

These statistics of commercial failures are exclusive of applications under Section 77B. From June 7, 1934, when Section 77B of the New Bankruptcy Act became effective, to December 31, 1935, applications were filed under this section by 5 manufacturers in this industry and by 6 wholesalers and retailers.

USE OF SECTION 77B INCREASES IN FEBRUARY

DESPITE the fact that February was a short month, 95 cases were reported under Section 77B of the New Bankruptcy Act. This was an increase of 36 over the unusually low figure of 59 for January. During the last twelve months, the figure was exceeded only in April, 1935. The 95 cases are also well above February of last year, when 76 cases were reported.

An examination of the monthly figures since the law went into effect in June, 1934, shows that the monthly variations are extremely erratic. In general, a high month seems to follow a low month and vice versa. Roughly measured, however, the trend during 1935 was slightly downward. The results for the first two months of this year, on the other hand, would appear to continue the slow rising movement since the low of 48 cases was reported in September, 1935.

Monthly Comparison of 77B Applications and Commercial Failures

	Number of 77B Applications	Number of Commercial Failures
1936		
February	95	856
January	59	1,077
1935		
December	86	910
November	57	898
October	78	1,056
September	48	787
August	94	884
July	70	902
June	81	944
May	88	1,004
April	146	1,083
March	82	940
February	76	956
January	106	1,146
Total, 1935	1,012	11,510
1934		
December	94	933
November	96	882
October	65	1,039
September	69	771
August	98	872
July	73	870
June	97	992
Total, 7 Mos., 1934.	592	6,359
Total All	1,758	19,802

77B Applications by Divisions of Industry

	February, 1936 No.	February, 1935 No.
Manufacturing		
Foods	9	7
Textiles	6	5
Forest Products	3	3
Paper, Printing and Publishing	3	3
Chemicals and Drugs	1	..
Fuels	1	1
Leather and Leather Products	4	2
Stone, Clay and Glass Products	..	3
Iron and Steel	2	2
Machinery	4	2
Transportation Equipment	..	2
Miscellaneous	4	5
Total	37	35
Wholesale Trade		
Farm Products and Groceries	1	2
Clothing and Furnishings	..	..
Dry Goods and Textiles	..	..
Lumber, Building Material and Hardware	1	..
Chemicals and Drugs	2	..
Fuels	..	..
Automotive Products	..	..
Supply Houses	1	..
All Other	1	1
Total	6	3
Retail Trade		
Foods	2	..
Farmers' Supplies, General Stores	1	1
General Merchandise	1	2
Apparel	9	..
Furniture and Household Furngs.	1	..
Lumber, Building Material and Hardware	3	1
Automotive Products	1	..
Restaurants	4	4
Drugs	1	1
All Other	..	1
Total	23	10
Construction		
General Contractors	2	..
Carpenters and Builders	..	..
Building Sub-contractors	1	1
Other Contractors	..	..
Total	3	1
Commercial Service		
Cleaners, Dyers and Tailors	1	..
Haulage, Buses, Taxis, etc.	2	3
Hotels	5	3
Laundries	2	3
Real Estate	11	7
Undertakers	..	1
All Other	5	10
Total	26	27
Total U. S.	95	76

In comparing these cases with the number of Commercial Failures it should be borne in mind that while the latter exclude certain types of business activity, such as real estate and insurance, steamship lines, railroads, and holding companies and such, the list of 77B cases is a complete one covering every applicant regardless of classification. For example, the table of applicants by divisions of industry shows eleven real estate companies to have applied in February,—a category not included in the tabulation of commercial failures. A further point to be borne in mind is that the tendency is for larger companies, when in difficulty, to utilize the 77B procedure if possible. Undoubtedly, the size of the average enterprise involved in these 77B cases is many times that of the more frequent bankruptcy liquidations.

In comparing the breakdown by industrial divisions of the current figure with February of last year in the accompanying table it is seen that the increase of 19 cases was largely in retail trade, which accounted for 13 of them. The remaining 6 cases were distributed almost equally among manufacturing, wholesaling and construction, with commercial service showing one less instance. In the retail trade the outstanding increase was 9 cases of wearing apparel concerns. It is interesting to note that this point is matched by the increase in commercial failures in this same apparel group.

If one eliminates the real estate cases from the total 77B cases, then manufacturing accounts for 44 per cent of all cases reported and retailing for 27 per cent. This is in striking contrast with the commercial failure record where manufacturing accounts for 16 per cent and retailing for 64 per cent of the total. Again, this is an indirect evidence of the use of 77B by larger companies.

MARKED DECREASE IN COMMERCIAL FAILURES IN FEBRUARY

THE number of commercial failures in February, 1936, was 10.5 per cent below that for February, 1935 and total liabilities were 8.0 per cent below the total of a year ago. The number reported of 856 failures is less than that reported for any February since 1920. In the following table, the February failure record for the past seventeen years is shown:

	No.	Liabilities
1936	856	$14,089,482
1935	956	15,217,164
1934	1,017	16,771,960
1933	2,378	65,576,068
1932	2,732	84,900,106
1931	2,563	59,607,612
1930	2,262	51,326,365
1929	1,965	34,035,772
1928	2,176	45,070,642
1927	2,035	46,940,716
1926	1,801	34,176,348
1925	1,793	40,123,017
1924	1,730	35,942,037
1923	1,508	40,627,939
1922	2,331	72,608,393
1921	1,641	60,852,449
1920	492	9,763,142

In considering the significance of the decrease as compared with a year ago, it is important to note the extra day in the month in 1936. Comparing the two years on the basis of daily averages the reduction in the number of failures in 1936 is 13.5 per cent below that of a year ago, a much greater decline than that reported in January. Consequently, the data for this current month gives further evidence of the persistent decrease which has been in evidence since 1932.

DUN'S INSOLVENCY INDEX
Ratio of Commercial Failures to Each 10,000 Business Concerns

		Monthly						5-Year Average		Monthly		
	1936	1935	1934	1933	1932	1931	1930	1925-29	Ratio	1922	1921	1920
January ..	64.0	71.3	82.5	179.4	201.8	188.4	150.2	139.5	160.0	173.7	126.2	27.8
February ..	57.7	71.5	71.9	159.0	165.9	169.0	146.7	128.2	147.0	168.7	123.4	26.1
March	....	58.7	64.2	111.4	159.7	146.0	128.4	110.4	126.6	144.8	98.1	27.6
April	....	67.2	65.4	115.3	158.0	134.1	125.0	107.4	123.0	137.3	93.8	26.6
May	....	62.1	59.2	113.9	162.0	131.7	119.9	104.5	119.8	124.4	88.5	27.5
June	....	60.3	63.1	99.9	155.2	112.4	114.4	100.8	115.6	105.4	82.7	29.5
July	....	56.4	56.9	90.4	156.3	112.1	112.4	95.7	109.7	110.4	93.6	29.9
August ...	....	53.0	54.3	86.7	155.5	111.3	105.7	90.9	104.2	99.8	93.4	29.4
September .	....	52.8	53.6	71.0	132.1	114.0	112.9	87.2	100.0	98.5	94.5	30.3
October ...	....	63.9	66.2	76.6	137.8	134.7	117.0	90.2	103.8	107.3	109.8	105.8
November..	....	62.8	65.3	82.1	130.9	141.2	127.0	107.1	122.8	112.3	132.8	109.7
December..	....	58.3	60.5	74.0	145.3	158.8	140.7	112.0	128.3	114.0	159.6	116.2
Year....	....	59.9	61.7	103.6	153.3	133.4	120.7	105.6	.....	119.4	102.0	48.8

The Last Three Years

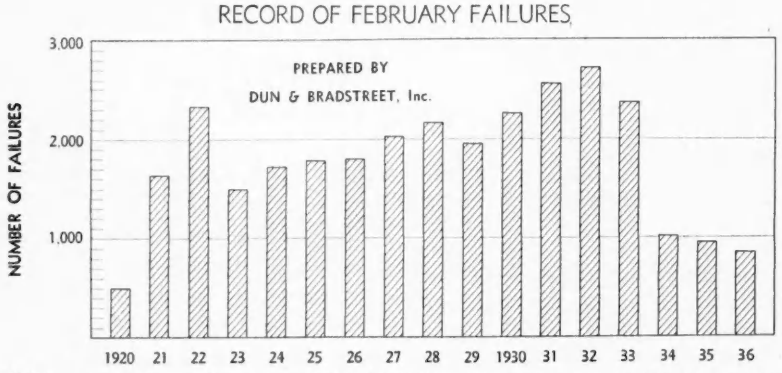
It is perhaps worthy of note that certain changes in the tabulations relative to commercial failures appeared for the first time last month in order to give absolute assurance of complete and consistent coverage in the area of the economic system included, and to eliminate failures such as real estate operators whose liabilities might be misleading largely due to speculative building or subdivision development.

The table giving the records for totals since January, 1934, by months is based upon the revised records, and detailed tables by divisions of industry are given on pages 24 and 25. On the basis of this material, it is evident that business failures during the last nine months of 1935 were slightly above the number in the corresponding months of 1934. However, the records for the first two months of this year indicate a further decline in the trend, when compared with the previous year.

Examination of the past records indicates a fairly clear seasonal variation regularly recurring in the number of failures. February regularly is below the January figure, which usually is the maximum month for the year.

Failures in Depression

The record of failures in recent years is no exception to the expected pattern for a prolonged depression. The drop from prosperity always finds many business houses whose persisting optimism has led to over-extension. They have recently added to plant and equipment or are carrying unusually large inventories. Their working capital is frequently not in very liquid condition and the inevitable decline in commodity prices is apt to prove most embarrassing if their inventories are large. Furthermore, the search for liquidity by banks and by their other creditors, may result in pressure upon them to meet current



Striking a new low for any February in the last sixteen years, the number of commercial failures reported for the United States dropped to 856. This total represented a decline of 10.5 per cent from the 956 listed in February, 1935, and was smaller by 15.8 per cent than the 1,017 recorded for February, 1934.

obligations, thus putting a further strain upon any readily available funds. Finally, failures tend to breed other failures, inasmuch as the creditors must write down or off entirely from their assets all claims against the failed enterprise. The result of all these factors is a sharp increase in failures during the early years of the depression.

Once the weak cases have been cleared away and the decline in prices is checked, the failure record begins to improve. Business enters upon a period of conservatism and caution. There is little speculation and venturing. Fewer new enterprises are begun and there is less expansion. Of course, failures continue to appear, as one or another tottering enterprise approaches too closely to the brink. However, long before the actual return to prosperity, improvement appears in the record of failures.

To some extent, the lower level since the middle of 1934 may be due to the use of Section 77B rather than the formal bankruptcy procedure. The number of such cases, tabulated separately by Dun & Bradstreet (see page 17) have averaged slightly less than 100 each month. However, the influence of this new development has been much more apparent in the record of liabilities. There is a decided tendency for large enterprises to endeavor to settle their difficulties through the 77B method, and only to enter into formal bankruptcy proceedings as a last resort. Consequently, the effect of the new method has been much more evident in the liabilities record than in the actual number of concerns involved.

Failures by Divisions of Industry

The table on failures by divisions of industry presents again the new classification which appeared for the first time in January. The most important change was the addition of a new major division for concerns classified under construction, made up of enterprises previously included in the other groups, mainly manufacturing. Various subdivisions were re-defined in order to bring them into closer harmony with other data concerning business enterprises. In particular, the division of commercial service has been more carefully subdivided and real estate and insurance agents and brokers eliminated entirely, because the nature of those activities leads to unusually large liabilities and detailed information regarding them is not available through the Dun & Bradstreet service. A more complete explanation of the new classification is found in the February, 1936, issue of the Monthly Review. The table called Failures by Branches of Industry which continued the old classification in effect since the beginning of the failure records, has been discontinued with this issue. In order to permit comparisons with earlier months, two large tables showing the latest revised figures monthly for 1934 and 1935 are presented. Thus, an overlap of two years is provided as a link between the two classifications. It is impossible to carry the revision back of 1934.

Number of Failures

	1936	1935	1934
January	1,077	1,146	1,317
February	856	956	1,017
March	.....	940	1,069
April	.....	1,083	1,020
May	.....	1,004	942
June	.....	944	992
July	.....	902	870
August	.....	884	872
September	.....	787	771
October	.....	1,056	1,039
November	.....	898	882
December	.....	910	933

Liabilities

(Thousands of Dollars)

	1936	1935	1934
January	18,104	14,603	29,035
February	14,089	15,217	16,772
March	.....	15,361	24,002
April	.....	16,529	22,871
May	.....	14,339	20,787
June	.....	12,918	20,591
July	.....	16,523	16,555
August	.....	13,266	15,703
September	.....	17,002	15,552
October	.....	17,185	16,973
November	.....	14,384	14,376
December	.....	15,686	16,981

Comparing the five divisions of trade in February for the last three years, a consistent decrease in the number is evident in manufacturing, retailing and construction. Wholesale failures were more numerous in the current month than in either of the previous years, and failures in commercial service were larger in 1935 than either of the other years.

The outstanding decreases were in the construction and commercial service groups, but since they are the smallest groups, their decrease involved a reduction from 12.9 per cent to only 9.0 per cent of the total.

In considering these comparisons of the five groups, it is important to keep in mind that the proportion of the cases under manufacturing is much higher in the 77B record than its share as recorded in the commercial failure statistics. Consequently, the apparent reduction in this group, is partially offset by the development of this other channel for dealing with business difficulties.

Considering the record of liabilities, the outstanding item is the increase in retail trade, due chiefly to the failure of several large department stores. Liabilities also increased in the wholesale group.

When one examines the records of subdivisions of the groups, the totals are much more erratic in behavior. The manufacturing group shows some consistency, in that fuels and machinery were the only lines to record an increase. Wholesaling, on the other hand, showed three decreases and six increases. In retailing, the most important group, foods, showed a decline, while apparel, second on the list, reported an increase. The greatest reduction in failures was among drug stores. All construction and commercial service groups showed fewer failures, the most significant improvement being among hotels. The considerable increase in liabilities in the retail group was due entirely to certain large failures of department stores and garages, eight of the ten retail groups recording decreases.

Failures by Size

For February, the final figures indicate that the decrease in the

Failures by Divisions of Industry—February, 1936

(Liabilities in Thousands of Dollars)

	Number			Liabilities		
MANUFACTURING	1936	1935	1934	1936	1935	1934
Foods	34	38	45	$1,164	$626	$1,146
Textiles	30	41	33	828	1,000	567
Forest Products	13	15	10	340	413	293
Paper, Printing and Publishing	8	13	23	246	274	570
Chemicals and Drugs	3	10	15	12	164	881
Fuels	3	..	2	99	...	32
Leather and Leather Products	4	8	8	49	308	107
Stone, Clay and Glass Products	1	2	3	4	125	54
Iron and Steel	6	6	7	227	561	153
Machinery	12	9	5	125	185	52
Transportation Equipment	2	4	3	12	236	20
Miscellaneous	21	22	21	254	744	421
Total Manufacturing	137	168	175	$3,360	$4,636	$4,296
Per Cent of Month's Total	16.0	17.6	17.2	23.8	30.5	25.6
WHOLESALE TRADE						
Farm Products, Foods and Groceries	36	41	38	$304	$843	$449
Clothing and Furnishings	6	3	3	91	17	13
Dry Goods and Textiles	..	4	4	...	179	114
Lumber, Bldg. Materials and Hardware	9	5	8	229	256	410
Chemicals and Drugs	6	2	4	48	23	115
Fuels	6	2	2	216	75	26
Automotive Products	8	5	5	161	102	59
Supply Houses	3	9	5	19	59	159
All Other	24	12	17	787	153	565
Total Wholesale Trade	98	83	86	$1,855	$1,707	$1,910
Per Cent of Month's Total	11.4	8.7	8.5	13.2	11.2	11.4
RETAIL TRADE						
Foods	150	189	168	$1,034	$1,568	$1,147
Farm Supplies and General Stores	25	27	28	150	339	256
General Merchandise	32	23	46	1,207	190	684
Apparel	137	123	96	1,011	1,021	1,164
Furniture and Household Furnishings	24	23	28	353	361	274
Lumber, Bldg. Materials and Hardware	31	32	43	224	453	554
Automotive Products	34	28	50	1,675	311	1,019
Restaurants	42	49	63	382	586	779
Drugs	31	47	52	276	372	648
All Other	38	40	61	339	362	672
Total Retail Trade	544	581	635	$6,651	$5,563	$7,197
Per Cent of Month's Total	63.6	60.8	62.5	47.2	36.5	42.9
CONSTRUCTION						
General Contractors	5	8	11	$66	$416	$251
Carpenters and Builders	9	17	17	788	878	955
Building Sub-contractors	22	29	33	965	1,070	474
Other Contractors	..	5	4	...	126	560
Total Construction	36	59	65	$1,819	$2,490	$2,240
Per Cent of Month's Total	4.2	6.2	6.3	12.9	16.4	13.4
COMMERCIAL SERVICE						
Cleaners, Dyers and Tailors	12	21	12	$129	$172	$126
Haulage, Buses, Taxis, etc.	6	7	13	33	. 68	234
Hotels	3	10	4	39	159	319
Laundries	3	6	4	26	48	186
Undertakers	4	5	3	74	142	27
All Other	13	16	20	103	232	237
Total Commercial Service	41	65	56	$404	$821	$1,129
Per Cent of Month's Total	4.8	6.7	5.5	2.9	5.4	6.7
Total United States	856	956	1,017	$14,089	$15,217	$16,772
Per Cent	100	100	100	100	100	100

number of failures is concentrated in the middle-sized enterprises. This assumes, of course, that the amount of liabilities may be taken as a rough indication of the size of the enterprise involved. For the last three years, the number of failures with liabilities less than $5,000 has been 376, 374 and 372, respectively, and similarly there has been little variation in the liabilities for the group. The constancy of the number in this group, with the reduction in the total, has increased its proportion of the total, so that it equals 43.4 per cent, almost identical with the January figure of 44.0 per cent.

As usual, the failures with less than $25,000 of liabilities, include nearly nine-tenths of the total, but only slightly more than one-third of the liabilities involved. The 22 largest failures, 2.6 per cent of the total number, involve 43.1 per cent of all the liabilities.

As might be expected, the importance of the various size groups varies according to the division of industry. Using only an approximate measure, it is evident that almost one-half the failures in the retail trade and commercial service groups involved liabilities of less than $2,500, one-third those in construction were equally small, and one-fourth those in manufacturing and wholesale trade. Taking all the cases and striking averages, this difference is shown as follows:

	Average Liabilities (thousands of dollars)
Manufacturing	24.5
Wholesale trade	18.9
Retail trade	12.2
Construction	50.2
Commercial service	9.9
Total	16.5

The high level of the construction average is due to the fact that among its 36 cases, were three which were extremely large.

The constancy in the number of small failures is evident in each of the five groups. Likewise, the number in the group of largest failures has shown little variation. However, manufacturing and construction both record decided decreases in the failures in the $25,000 to $100,000 group.

Again it should be noted that the 77B cases tend to include a considerable proportion of the larger enterprises. This fact may help to explain the fact that the reduction is found in the larger size groups.

The Largest Failures

There were 22 failures with liabilities exceeding $1,000,000, as compared with 20 in the previous month and 21 a year ago. Their industry classification is as follows:

Manufacturing		10
Foods and beverages	3	
Textiles	3	
Forest products	2	
Metal products	2	
Wholesale trade		3
Lumber	1	
Hardware	1	
Florist	1	
Retail trade		6
Department stores	3	
Garage	2	
Women's specialty shop	1	
Construction		3
Commercial Service		0
Total		22

Fifteen in the group were enterprises which were incorporated. One wholesaling concern was a partnership, and four of the retailers and two in the construction group were individual proprietorships.

Records are available concerning the age of all these enterprises but one. Five date back into the nineteenth century. Three were started in the first decade of the twentieth, five in the second, five in the third, and only three since 1930. In other words, as a group they do not represent new ventures which were unable to establish themselves, but enterprises with a background of considerable experience. Two of the three recently established enterprises were department stores, both started by men without previous experience in large-scale distribution.

Seven of the cases represent the culmination of some months of endeavoring to work out some other solution for the difficulties, four having been attempting without success to reorganize under the 77B procedure. The remaining cases had been under the control of the creditors for some time.

It is difficult to analyze the causes which lie behind these failures. Most of them are due to a complex set of circumstances which require individual discussion of each case. The situation most frequently met is a large burden of fixed charges, usually dominated by real estate mortgages, which were more than the current income could bear. This is particularly true of the construction cases and those in retail trade. One firm had never recovered from the failure of three banks in which it carried its accounts. Another was a department store in a large city, whose location had proved a heavy liability as the retail trading area shifted away from its earlier center. One manufacturing enterprise had sold about one-half its output to one of the large chains and the loss of that one customer had made its survival difficult. One other company was a product of the merger period in the late twenties, and is now paying the penalty for over-optimistic expansion.

Geographical Distribution

Although the total number of failures for the country was lower than that of 1935 and 1934, the record by regions is decidedly irregular. The St. Louis Federal Reserve District showed a steady increase over the three years. Cleveland and Richmond had smaller totals for the corresponding month of 1934, but presented an increase over 1935. Philadelphia, San Francisco, Boston and Chicago reported a marked reduction from the failures of 1935. In making a comparison with January of this year, Cleveland and St. Louis showed an increase in failures this month. New York, Philadelphia, Chicago and Boston showed notable reductions.

Upon examining the liabilities record of the districts, there were three, Cleveland, Richmond and St. Louis, whose total liabilities were greater than the corresponding month of 1934. In four districts the liabilities were greater than in 1935, the largest amount being in Cleveland. Cleveland was second largest to New York in the amount of liabilities this month. New York, Philadelphia, Atlanta, Chicago, Minneapolis, Kansas City, Dallas and San Francisco have shown a constant decrease in liabilities over the three

Failures by Industrial Groups and Size of Liabilities—February

(Liabilities in Thousands of Dollars)

	1936				1935				1934			
	Number	Per Cent	Liabilities	Per Cent	Number	Per Cent	Liabilities	Per Cent	Number	Per Cent	Liabilities	Per Cent
MANUFACTURING	137	100	$3,360	100	168	100	$4,636	100	175	100	$4,296	100
Under $5,000	36	26.3	85	2.5	35	20.8	91	2.0	40	22.8	108	2.5
$5,000—$25,000	73	53.3	784	23.4	91	54.2	1,085	23.4	92	52.6	1,121	26.1
$25,000—$100,000	18	13.1	859	25.5	32	19.0	1,576	34.0	36	20.6	1,454	33.8
$100,000 and Over	10	7.3	1,632	48.6	10	6.0	1,884	40.6	7	4.0	1,613	37.6
WHOLESALE TRADE	98	100	$1,855	100	83	100	$1,707	100	86	100	$1,910	100
Under $5,000	27	27.6	108	5.8	23	27.7	62	3.6	19	22.1	60	3.1
$5,000—$25,000	52	53.0	590	31.8	41	49.4	495	29.0	44	51.2	512	26.8
$25,000—$100,000	16	16.3	649	35.0	17	20.5	821	48.1	20	23.2	914	47.9
$100,000 and Over	3	3.1	508	27.4	2	2.4	329	19.3	3	3.5	424	22.2
RETAIL TRADE	544	100	$6,651	100	581	100	$5,563	100	635	100	$7,197	100
Under $5,000	277	50.9	677	10.2	276	47.5	669	12.0	275	43.3	772	10.7
$5,000—$25,000	235	43.2	2,406	36.2	262	45.1	2,743	49.3	295	46.5	3,036	42.3
$25,000—$100,000	26	4.8	1,067	16.0	40	6.9	1,763	31.7	61	9.6	2,724	37.8
$100,000 and Over	6	1.1	2,501	37.6	3	.5	388	7.0	4	.6	665	9.2
CONSTRUCTION	36	100	$1,819	100	59	100	$2,490	100	65	100	$2,240	100
Under $5,000	12	33.3	19	1.0	14	23.7	38	1.5	23	35.4	54	2.4
$5,000—$25,000	17	47.3	181	10.0	26	44.1	270	10.9	22	33.8	247	11.0
$25,000—$100,000	4	11.1	193	10.6	14	23.7	720	28.9	10	15.4	448	20.0
$100,000 and Over	3	8.3	1,426	78.4	5	8.5	1,462	58.7	10	15.4	1,491	66.6
COMMERCIAL SERVICE	41	100	$404	100	65	100	$821	100	56	100	$1,129	100
Under $5,000	20	48.8	49	12.1	26	40.0	72	8.8	19	33.9	53	4.7
$5,000—$25,000	16	39.0	132	32.7	29	44.6	301	36.7	25	44.6	269	23.8
$25,000—$100,000	5	12.2	223	55.2	9	13.9	327	39.8	10	17.9	500	44.3
$100,000 and Over	...	...	...	...	1	1.5	121	14.7	2	3.6	307	27.2
TOTAL	856	100	$14,089	100	956	100	$15,217	100	1,017	100	$16,772	100
Under $5,000	372	43.4	938	6.6	374	39.1	932	6.1	376	37.0	1,047	6.2
$5,000—$25,000	393	45.9	4,093	29.1	449	47.0	4,894	32.2	478	47.0	5,185	30.9
$25,000—$100,000	69	8.1	2,991	21.2	112	11.7	5,207	34.2	137	13.5	6,040	36.1
$100,000 and Over	22	2.6	6,067	43.1	21	2.2	4,184	27.5	26	2.5	4,500	26.8

Failures by Federal Reserve Districts—February

(Liabilities in Thousands of Dollars)

Districts	Number			Liabilities		
	1936	1935	1934	1936	1935	1934
I—Boston	87	105	97	$1,708	$1,330	$2,223
II—New York	267	282	326	4,383	6,020	5,655
III—Philadelphia	34	61	49	627	1,087	1,201
IV—Cleveland	79	76	85	1,917	961	1,253
V—Richmond	43	39	62	1,608	806	850
VI—Atlanta	21	33	24	108	248	406
VII—Chicago	96	113	128	1,405	2,150	2,269
VIII—St. Louis	50	40	32	722	635	289
IX—Minneapolis	16	18	29	221	233	337
X—Kansas City	40	40	44	173	202	543
XI—Dallas	26	28	26	281	315	367
XII—San Francisco	97	121	115	936	1,230	1,379
Total United States	856	956	1,017	$14,089	$15,217	$16,772

years. Four districts, Cleveland, Richmond, St. Louis and Minneapolis has increased liabilities over January, 1936.

The table giving the failures by divisions of industry by Federal Reserve Districts shows great diversity among the districts. Of the twelve districts, New York reported 50 per cent of the total failures in construction, 38 per cent in manufacturing, 36 per cent in wholesale trade, 32 per cent in commercial service, and 27 per cent in retail trade. Of the total number of failures in Dallas, however, 85 per cent were failures in retail trade. The record this month showed a greater number of failures in wholesale trade than in January of this year. This tendency was widespread, only three districts, Philadelphia, Richmond and Kansas City, reported a decrease. Five districts reported no failures at all in the construction group, and three had a clear record in commercial service.

Failures in Specified Cities in the U. S.—February

City	Fed. Res. Dist.	Population (1930 Census)	No.			Liabilities (thousands of dollars)		
			1936	1935	1934	1936	1935	1934
Baltimore	5	804,874	15	16	13	$1,268	$125	$96
Boston	1	781,188	14	28	20	1,173	419	1,270
Buffalo	2	573,076	13	10	16	587	80	262
Chicago	7	3,376,438	35	39	30	424	806	313
Cincinnati	4	451,160	5	2	13	81	165	207
Cleveland	4	900,429	13	7	13	112	74	212
Detroit	7	1,568,662	8	5	13	326	214	123
Indianapolis	7	364,161	5	3	3	48	107	129
Jersey City	2	316,716	2	2	2	17	9	16
Kansas City, Mo.	10	399,746	5	4	7	28	25	43
Los Angeles	12	1,238,048	24	26	24	212	178	380
Louisville	8	307,745	3	2	..	26	12	...
Milwaukee	7	578,248	8	6	14	145	56	436
Minneapolis	9	464,356	1	6	5	3	112	94
Newark	2	442,337	15	12	23	259	1,166	334
New Orleans	6	458,762	1	..	2	18	...	13
New York City	2	6,930,446	157	162	174	2,429	2,999	3,144
Philadelphia	3	1,950,961	13	25	14	352	478	127
Pittsburgh	4	669,817	8	13	3	1,152	105	74
Portland, Ore.	12	301,815	7	8	12	30	86	81
Rochester	2	328,132	7	4	..	27	113	...
St. Louis	8	821,960	10	10	7	359	72	106
San Francisco	12	634,394	12	12	9	89	117	76
Seattle	12	365,583	6	5	7	58	20	38
Washington, D. C.	5	486,869	4	4	5	17	34	22
Total	..	.....	391	411	429	$9,240	$7,572	$7,596
All Other	..	.....	465	545	588	4,849	7,645	9,176
Total U. S.	..	.....	856	956	1,017	$14,089	$15,217	$16,772

Failures by Cities

The record by cities shows that the bulk of the decrease from last year was outside the twenty-five cities for which detailed records are published. Among the cities, Boston and Philadelphia reported notable decreases, but the other cities reported little change in the number. The record for liabilities was quite the opposite,—the large cities showing a large increase and the remainder of the country an even greater decrease. Boston, Baltimore and Pittsburgh recorded the largest increases, while the largest reduction was in Newark. The fact that the liabilities are so large in the cities, is a reflection of the importance of real estate in the liabilities record in areas with high land values. This is particularly true where the failures include enterprises such as department stores and garages, located in central shopping districts.

The average amount of liabilities involved in the average failure in the twenty-five cities in February was $23,600, while failures in the remainder of the country averaged only $10,400.

Failures by Divisions of Industry by Federal Reserve Districts—February, 1936

(Liabilities in Thousands of Dollars)

	Manufacturing		Wholesale Trade		Retail Trade		Construction		Commercial Service		Total	
	No.	Liab.	No.	Liab.	No.	Liab.	No.	Liab.	No.	Liab.	No.	Liab.
I—Boston	7	$139	5	$16	61	$1,378	5	$110	9	$65	87	$1,708
II—New York	52	1,368	35	625	149	1,364	18	768	13	258	267	4,383
III—Philadelphia	7	200	3	37	22	381	..	...	2	9	34	627
IV—Cleveland	10	134	7	286	51	557	6	916	5	24	79	1,917
V—Richmond	7	388	5	18	28	1,189	2	5	1	8	43	1,608
VI—Atlanta	1	4	3	24	17	80	..	...	..	...	21	108
VII—Chicago	24	497	16	510	53	385	1	7	2	6	96	1,405
VIII—St. Louis	8	331	6	124	30	239	2	4	4	24	50	722
IX—Minneapolis	3	40	2	50	10	126	..	...	1	5	16	221
X—Kansas City	3	20	2	13	31	135	..	...	4	5	40	173
XI—Dallas	1	22	3	28	22	231	..	...	..	...	26	281
XII—San Francisco	14	217	11	124	70	586	2	9	..	...	97	936
Total United States	137	$3,360	98	$1,855	544	$6,651	36	$1,819	41	$404	856	$14,089

Failures by States—February

(Liabilities in Thousands of Dollars)

	Number			Liabilities		
NEW ENGLAND	1936	1935	1934	1936	1935	1934
Maine	10	12	8	$50	$86	$119
New Hampshire	3	6	..	19	93	..
Vermont	3	1	2	21	187	73
Massachusetts	36	58	58	1,327	821	1,881
Connecticut	26	17	28	282	77	289
Rhode Island	15	11	14	56	55	72
Total	93	105	110	$1,755	$1,319	$2,434
MIDDLE ATLANTIC						
New York	208	234	255	$3,331	$4,208	$4,786
New Jersey	57	52	62	1,050	1,874	746
Pennsylvania	48	86	64	1,911	1,265	1,610
Total	313	372	381	$6,292	$7,347	$7,142
SOUTH ATLANTIC						
Maryland	18	19	17	$1,286	$146	$130
Delaware	..	1	2	..	7	8
District of Columbia	4	4	5	17	34	22
Virginia	5	5	21	25	58	258
West Virginia	6	5	14	34	35	191
North Carolina	14	9	7	266	542	81
South Carolina	1	1	3	3	15	171
Georgia	6	7	9	27	59	225
Florida	..	11	3	..	109	34
Total	54	62	81	$1,658	$1,005	$1,120
SOUTH CENTRAL						
Kentucky	11	6	4	$136	$58	$38
Tennessee	7	14	9	43	254	94
Alabama	4	7	3	26	24	10
Mississippi	10	2	1	38	14	60
Arkansas	10	9	1	89	72	15
Oklahoma	10	12	6	44	68	29
Louisiana	3	1	5	25	9	105
Texas	25	25	23	275	288	274
Total	80	76	52	$676	$787	$625
CENTRAL EAST						
Ohio	55	41	57	$556	$672	$738
Indiana	14	14	15	186	209	260
Illinois	52	64	54	653	1,204	911
Michigan	13	18	24	354	562	368
Wisconsin	15	15	30	278	156	624
Total	149	152	180	$2,027	$2,803	$2,901
CENTRAL WEST						
Minnesota	7	10	15	$74	$138	$237
Iowa	10	10	21	33	130	232
Missouri	23	20	21	424	319	161
North Dakota	3	..	3	30	..	40
South Dakota	1	2	3	36	25	15
Nebraska	7	16	12	6	51	63
Kansas	6	3	8	37	42	260
Total	57	61	83	$640	$705	$1,008
WESTERN						
Montana	3	2	4	$54	$3	$15
Idaho	..	5	6	..	11	134
Wyoming	..	..	1	..	..	28
Colorado	8	5	9	16	18	88
New Mexico	2	..	1	35	..	33
Arizona	..	..	..	..	..	..
Utah	4	3	9	30	6	105
Nevada	..	..	1	..	..	7
Total	17	15	31	$135	$38	$410
PACIFIC						
Washington	13	14	13	$195	$329	$82
Oregon	16	15	21	67	166	191
California	64	84	65	644	718	859
Total	93	113	99	$906	$1,213	$1,132
United States	856	956	1,017	$14,089	$15,217	$16,772

REVISION OF FAILURE RECORDS FOR 1934 AND 1935 BY MONTHS

IN the foregoing pages were given the current month's failures by divisions of industry according to a new classification, compared with revised figures for the two previous Februaries. Similar data for January appeared in the previous issue of the Review.

In order to give revisions far enough back to provide a link between the old series and the new, the following two pages present the revised monthly figures for the entire years of 1934 and 1935.

The change in coverage is confined to the elimination of real estate and insurance brokers, holding and finance companies, shipping agents, tourist companies, transportation terminals, and such, all of which were included in the old group called Agents and Commercial Service. The coverage of the other three groups is unchanged, although the building trades have been segregated in a new class of Construction. Most of these items came out from Manufacturing, and it is believed that their elimination from Manufacturing leaves the latter a truer picture of production processes. As in the past, the records do not include so-called personal bankruptcies or bankruptcies of persons such as doctors, dentists and lawyers.

The effect of these revisions on the total figures is a reduction in the total number of failures in 1934 from 12,185 to 11,724 or 461 cases, a percentage reduction of 3.9. In 1935, the reduction is from 11,879 to 11,510, or 369 cases, a percentage of 3.1. The monthly reduction is between 30 and 40 a month. The revision is more significant in connection with liabilities, the total amount of liabilities being reduced on a rough average of three to four million dollars a month.

The greatest change within the groups is the reduction of the Manufacturing group by 952 failures in 1934 and 785 in 1935, transferred to Construction.

FAILURES BY DIVISIONS OF INDUSTRY, BY MONTHS, 1935

(Liabilities in Thousands of Dollars)

Divisions of Industry	Number													Liabilities										
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Manufacturing																										
Foods	56	38	40	39	37	48	40	43	45	57	38	35	516	$1,416	$626	$794	$652	$797	$560	$1,347	$802	$1,029	$1,038	$967	$645	$10,673
Textiles	38	41	26	34	43	40	51	32	30	48	39	47	469	492	1,000	515	725	1,242	720	875	856	617	1,171	715	763	9,691
Forest Products	14	15	25	20	14	10	14	9	6	16	12	11	166	342	413	1,201	540	341	484	150	322	71	1,026	195	905	5,990
Paper, Printing, Publishing	16	13	11	19	14	4	9	10	12	13	10	12	143	186	274	113	373	714	13	379	110	94	466	129	186	3,037
Chemicals and Drugs	9	10	6	7	10	6	5	1	9	6	8	10	87	134	164	62	382	202	91	88	8	260	122	442	196	2,151
Fuels	..	..	..	3	1	5	3	2	5	6	1	7	33	...	...	...	143	12	138	525	587	58	77	4	831	2,375
Leather and Leather Products	5	8	5	7	7	9	8	..	8	10	10	7	84	70	308	232	201	126	188	327	...	275	175	143	71	2,116
Stone, Clay, Glass Products	6	2	3	10	1	5	6	10	1	5	5	6	60	62	125	117	354	12	567	496	385	8	268	63	109	2,566
Iron and Steel	9	6	14	9	7	5	11	6	5	13	9	8	102	364	561	1,393	103	410	57	631	801	65	210	52	198	4,845
Machinery	7	9	9	7	9	12	8	6	3	12	11	8	101	159	185	335	97	349	306	79	275	30	168	404	128	2,515
Transportation Equipment	8	4	2	5	2	4	..	3	2	6	3	1	40	133	236	16	96	22	290	...	36	132	68	353	10	1,392
Miscellaneous	27	22	29	20	27	18	17	10	17	18	23	28	256	332	744	882	319	437	166	340	115	201	195	487	316	4,534
Total Manufacturing	195	168	170	180	172	166	172	132	143	210	169	180	2,057	$3,690	$4,636	$5,660	$3,985	$4,664	$3,580	$5,237	$4,297	$2,840	$4,984	$3,954	$4,358	$51,885
Wholesale Trade																										
Farm Products, Foods, Groceries	36	41	33	41	49	39	31	37	30	36	33	26	432	$416	$843	$839	$821	$820	$490	$775	$662	$760	$1,198	$808	$673	$9,106
Clothing and Furnishings	9	3	6	6	7	5	7	5	7	5	4	6	70	184	17	80	65	50	82	228	44	678	80	33	61	1,602
Dry Goods and Textiles	5	4	1	4	4	3	7	4	..	2	5	3	42	68	179	6	105	58	23	352	63	...	21	58	57	989
Lumber, Bldg. Materials, Hdwe.	7	5	2	8	4	5	4	6	5	11	4	4	65	103	256	31	86	58	93	274	417	107	675	105	32	2,237
Chemicals and Drugs	4	2	1	1	4	3	6	5	2	4	..	3	35	50	23	7	1	143	23	69	35	19	61	...	24	455
Fuels	3	2	2	3	2	1	2	4	3	2	3	4	31	45	75	49	140	21	20	51	66	56	24	154	505	1,206
Automotive Products	2	5	3	7	1	8	4	6	5	3	3	5	52	63	102	17	82	4	59	60	32	90	34	25	70	638
Supply Houses	9	9	5	5	3	4	6	4	7	8	1	8	69	139	59	315	65	32	21	112	12	39	173	22	53	1,042
All Other	23	12	22	18	5	20	14	23	12	10	12	16	187	434	153	411	601	56	587	219	478	87	52	175	136	3,389
Total Wholesale Trade	98	83	75	93	79	88	81	94	71	81	65	75	983	$1,502	$1,707	$1,755	$1,966	$1,242	$1,398	$2,140	$1,809	$1,836	$2,318	$1,380	$1,611	$20,664
Retail Trade																										
Foods	211	189	206	236	230	185	183	179	173	226	188	189	2,395	$1,277	$1,568	$1,346	$2,336	$1,626	$1,261	$1,403	$1,522	$1,425	$1,704	$1,388	$1,011	$17,867
Farm Supplies, General Stores	21	27	29	35	30	20	31	29	31	19	28	32	332	185	339	637	456	412	347	259	344	385	131	357	431	4,283
General Merchandise	51	23	45	36	31	34	21	22	24	22	21	19	349	796	190	354	382	208	410	171	218	325	204	114	311	3,683
Apparel	166	123	78	104	81	98	80	110	60	108	100	113	1,221	1,258	1,021	447	717	549	564	982	635	449	950	601	808	8,981
Furniture, House Furnishings	31	23	25	26	26	22	20	23	16	22	21	20	275	517	361	246	437	378	365	372	159	368	252	341	209	4,005
Lumber, Bldg. Materials, Hdwe.	39	32	32	49	38	41	40	31	34	32	41	27	436	563	453	390	819	493	398	635	293	325	332	687	198	5,586
Automotive Products	50	28	40	42	40	49	36	37	46	38	42	43	491	596	311	560	256	456	678	1,234	688	660	768	429	438	7,074
Restaurants	57	49	40	49	42	45	56	52	43	84	36	37	590	453	586	388	712	453	420	518	608	3,105	900	838	731	9,712
Drugs	63	47	54	43	71	56	44	42	32	46	44	39	581	484	372	508	285	535	818	313	336	254	302	305	249	4,791
All Other	45	40	38	60	41	39	40	32	30	36	38	29	468	453	362	416	1,048	779	423	410	417	1,243	361	311	391	6,614
Total Retail Trade	734	581	587	680	630	589	551	557	489	633	559	548	7,138	$6,582	$5,563	$5,292	$7,448	$5,889	$5,684	$6,327	$5,220	$8,539	$5,904	$5,371	$4,777	$72,596
Construction																										
General Contractors	23	8	7	8	10	10	12	7	7	10	16	10	128	$788	$416	$211	$218	$475	$460	$426	$634	$736	$572	$2,328	$675	$7,939
Carpenters and Builders	16	17	8	21	16	7	20	14	6	19	17	17	178	525	878	477	936	614	184	658	558	39	1,211	172	549	6,781
Building Sub-Contractors	23	29	27	38	28	36	20	30	24	42	25	26	348	333	1,070	362	463	299	399	173	252	237	905	448	744	5,685
Other Contractors	..	5	3	1	2	1	3	2	1	3	..	1	22	...	126	112	11	73	36	57	27	173	104	...	3	722
Total Construction	62	59	45	68	56	54	55	53	38	74	58	54	676	$1,646	$2,490	$1,162	$1,628	$1,461	$1,079	$1,294	$1,471	$1,185	$2,792	$2,948	$1,971	$21,127
Commercial Service																										
Cleaners, Dyers and Tailors	14	21	18	10	17	14	13	15	12	11	14	15	174	$85	$172	$168	$60	$167	$226	$170	$141	$291	$82	$205	$272	$2,039
Haulage, Buses, Taxis, etc	10	7	16	10	17	14	8	9	9	17	13	7	137	120	68	787	92	151	300	154	55	1,117	172	87	96	3,199
Hotels	9	10	6	9	7	5	6	8	8	6	2	7	83	415	159	125	816	325	52	1,003	87	84	604	85	1,674	5,429
Laundries	5	6	7	7	6	3	4	4	2	5	5	7	61	84	48	255	145	77	58	84	82	18	103	81	111	1,146
Undertakers	3	5	5	5	8	4	2	3	4	9	4	8	60	14	142	44	79	136	46	8	49	34	117	81	55	805
All Other	16	16	11	21	12	7	10	9	11	10	9	9	141	465	232	13	310	227	495	106	55	1,058	109	192	761	4,123
Total Commercial Service	57	65	63	62	67	47	43	48	46	58	47	53	656	$1,183	$821	$1,492	$1,502	$1,083	$1,177	$1,525	$469	$2,602	$1,187	$731	$2,969	$16,741
Grand Total	1,146	956	940	1,083	1,004	944	902	884	787	1,056	898	910	11,510	$14,603	$15,217	$15,361	$16,529	$14,339	$12,918	$16,523	$13,266	$17,002	$17,185	$14,384	$15,686	$183,013

FAILURES BY DIVISIONS OF INDUSTRY, BY MONTHS, 1934

(Liabilities in Thousands of Dollars)

Divisions of Industry	Number													Liabilities											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Manufacturing																									
Foods	53	45	59	55	51	53	43	44	37	63	34	42	579	$1,277	$1,146	$2,587	$1,933	$1,732	$1,593	$671	$1,527	$536	$1,377	$1,591	$733	$16,703
Textiles	30	33	27	23	30	45	40	41	21	33	35	31	389	933	567	2,216	586	1,968	1,388	1,305	1,236	578	520	825	522	12,644
Forest Products	10	10	19	12	11	12	14	11	11	7	13	8	138	436	293	1,030	368	976	458	250	360	857	947	343	630	6,948
Paper, Printing, Publishing	25	23	17	13	11	20	11	16	11	16	16	15	194	671	570	513	797	145	444	856	174	98	213	399	2,221	7,101
Chemicals and Drugs	8	15	6	6	8	7	5	7	5	6	3	4	80	39	881	164	225	112	254	451	108	295	38	20	36	2,623
Fuels	4	2	3	3	2	3	2	1	2	1	6	5	34	667	32	322	196	20	511	208	400	105	250	625	423	3,759
Leather and Leather Products	8	8	9	4	6	6	7	7	10	3	8	6	82	188	107	281	35	176	462	130	123	458	60	89	72	2,181
Stone, Clay, Glass Products	11	3	10	9	3	6	2	3	4	6	3	6	66	289	54	910	125	143	329	75	57	243	159	151	50	2,585
Iron and Steel	11	7	9	17	12	16	8	12	8	6	3	10	119	570	153	359	532	1,315	728	354	1,073	390	68	139	218	5,899
Machinery	16	5	12	8	4	13	5	10	8	4	5	9	99	519	52	615	383	37	876	119	180	869	23	50	570	4,293
Transportation Equipment	5	3	5	3	5	3	2	3	3	7	4	4	47	88	20	154	2,234	114	24	203	265	440	57	110	199	3,908
Miscellaneous	27	21	18	24	22	21	18	25	22	23	19	21	261	1,404	421	224	388	1,053	843	476	524	558	286	358	430	6,965
Total Manufacturing	208	175	194	177	165	205	157	180	142	175	149	161	2,088	$7,081	$4,296	$9,375	$7,802	$7,791	$7,910	$5,098	$6,027	$5,427	$3,998	$4,700	$6,104	$75,609
Wholesale Trade																									
Farm Products, Foods, Groceries	49	38	31	42	36	22	40	32	35	35	37	40	437	$2,052	$449	$944	$1,061	$912	$999	$904	$995	$1,052	$940	$742	$651	$11,701
Clothing and Furnishings	8	3	7	2	2	2	2	1	2	1	3	9	42	75	13	244	28	17	12	69	3	8	4	63	223	759
Dry Goods and Textiles	5	4	..	2	5	4	1	2	4	2	3	6	38	189	114	...	50	44	92	15	6	73	221	26	143	973
Lumber, Bldg. Materials, Hdwe.	7	8	10	6	8	4	3	6	5	5	3	4	69	432	410	722	162	134	89	33	208	108	180	64	45	2,587
Chemicals and Drugs	4	4	4	2	3	2	4	3	3	8	2	5	44	56	115	111	29	27	19	56	21	175	74	31	39	753
Fuels	7	2	2	3	10	3	4	2	..	6	4	2	45	249	26	61	77	164	668	161	31	...	145	62	18	1,662
Automotive Products	4	5	3	6	2	3	1	3	1	8	3	6	44	54	59	43	50	12	107	9	12	17	215	37	173	788
Supply Houses	3	5	5	6	3	9	3	4	1	2	4	2	52	146	159	22	66	23	83	80	58	4	47	22	13	723
All Other	8	5	5	6	3	9	3	4	1	2	4	2	52	146	159	22	66	23	83	80	58	4	47	22	13	723
Total Wholesale Trade	23	17	16	20	20	13	21	25	12	15	14	15	211	1,687	565	518	557	358	224	768	322	261	514	261	493	6,528
Retail Trade	114	86	78	89	89	62	79	78	63	82	73	89	982	$4,940	$1,910	$2,665	$2,080	$1,691	$2,293	$2,095	$1,656	$1,698	$2,340	$1,308	$1,798	$26,474
Foods	197	168	166	174	160	192	135	163	138	206	169	175	2,043	$2,195	$1,147	$1,525	$1,351	$1,051	$1,275	$930	$1,258	$954	$1,336	$988	$1,228	$15,238
Farm Supplies, General Stores	35	28	29	24	29	26	24	26	34	29	15	30	329	537	256	573	305	221	393	298	254	333	665	192	393	4,420
General Merchandise	46	46	42	33	17	27	23	28	18	24	19	17	340	886	684	978	389	532	371	183	300	338	519	662	139	5,981
Apparel	189	96	89	83	100	88	69	60	62	104	101	118	1,159	2,080	1,164	832	842	912	1,342	684	548	481	937	920	1,474	12,216
Furniture, House Furnishings	35	28	41	24	19	17	21	16	15	24	19	21	280	466	274	640	151	211	210	524	321	283	224	265	665	4,234
Lumber, Bldg. Materials, Hdwe.	49	43	55	55	34	33	48	26	37	45	30	29	484	743	554	846	1,125	1,281	447	521	277	533	610	310	310	7,557
Automotive Products	74	50	35	53	42	47	41	32	46	59	52	48	579	1,898	1,019	479	806	335	598	1,083	330	665	1,136	887	661	9,897
Restaurants	68	63	55	48	44	64	59	51	43	66	49	49	659	923	779	578	842	560	976	662	455	694	1,034	659	757	8,919
Drugs	72	52	58	51	59	52	53	57	34	53	55	44	640	763	648	660	550	703	427	751	556	377	459	578	415	6,887
All Other	87	61	61	54	52	57	40	51	37	44	30	40	614	1,335	672	831	1,021	801	1,541	466	1,082	587	562	243	466	9,607
Total Retail Trade	852	635	631	599	556	603	513	510	464	654	539	571	7,127	$11,826	$7,197	$7,942	$7,382	$6,607	$7,580	$6,102	$5,381	$5,245	$7,482	$5,704	$6,508	$84,956
Construction																									
General Contractors	15	11	13	8	13	8	10	7	16	20	10	5	136	$774	$251	$402	$217	$773	$264	$463	$206	$642	$667	$664	$174	$5,497
Carpenters and Builders	14	17	23	23	16	21	24	21	24	17	18	24	242	598	955	1,611	1,145	618	966	738	927	1,034	708	692	1,023	11,015
Building Sub-Contractors	40	33	49	44	35	31	26	23	26	26	41	26	400	618	474	862	618	603	439	321	218	435	396	746	381	6,111
Other Contractors	7	4	7	4	4	1	4	2	1	4	..	3	41	255	560	208	77	152	46	212	31	7	92	..	37	1,677
Total Construction	76	65	92	79	68	61	64	53	67	67	69	58	819	$2,245	$2,240	$3,083	$2,057	$2,146	$1,715	$1,734	$1,382	$2,118	$1,863	$2,102	$1,615	$24,300
Commercial Service																									
Cleaners, Dyers and Tailors	15	12	11	19	16	17	9	13	7	14	5	14	152	$153	$126	$121	$153	$346	$193	$163	$125	$122	$128	$31	$217	$1,878
Haulage, Buses, Taxis, etc	15	13	14	21	16	18	12	11	10	9	18	15	172	262	234	162	478	598	154	158	325	100	177	185	305	3,138
Hotels	12	4	5	7	5	5	9	10	8	8	4	5	82	2,295	319	37	1,598	1,014	450	786	657	715	458	115	213	8,657
Laundries	3	4	11	4	7	10	1	1	3	6	9	5	64	30	186	390	122	127	94	12	12	14	83	104	62	1,236
Undertakers	4	3	7	4	6	3	5	4	3	2	4	4	49	113	27	75	28	239	53	46	34	28	17	29	44	733
All Other	18	20	26	21	14	8	21	12	4	22	12	11	189	90	237	152	1,171	228	149	361	104	85	427	98	115	3,217
Total Commercial Service	67	56	74	76	64	61	57	51	35	61	52	54	708	$2,943	$1,129	$937	$3,550	$2,552	$1,093	$1,526	$1,257	$1,064	$1,290	$562	$956	$18,859
Grand Total	1,317	1,017	1,069	1,020	942	992	870	872	771	1,039	882	933	11,724	$29,035	$16,772	$24,002	$22,871	$20,787	$20,591	$16,555	$15,703	$15,552	$16,973	$14,376	$16,981	$230,198

MARKETING TRENDS

WEATHER conditions in the first two months of 1936 exerted a greater influence on commercial activities than is ordinarily the case. Severe cold, with frequent storms accompanied by heavy snows did much to hinder the normal flow of distribution, both at wholesale and retail. Some improvement, however, took place in the final week of February as the result of milder temperatures, and although the total business transacted during the month was considerably under January, fairly good gains were recorded over the corresponding month a year ago. Relatively, trade in the larger cities was much better than in the rural districts, where transportation facilities were greatly hindered by the accumulations of snow, which made automobile and bus travel almost impossible. While affecting some lines adversely, other lines such as Winter wearing apparel and coal were greatly benefited.

Department Store Sales Hold Up Well

The preliminary report of the Federal Reserve Board on department store sales in February showed a 13 per cent increase over the corresponding month of 1935, as compared with a 7 per cent rise in January over last year. Total sales for the first two months of 1936 were 9 per cent greater than in the same period of 1935. The Reserve Board's seasonally adjusted index, converted to a 1929-1931 base, rose from 77.5 in January to 78.5 for February, which compares with 73.6 in February a year ago. In part, the rise in February reflects the fact that there was one more trading day this year than in February, 1935, also there were five Saturdays against only four last year.

Weather Affects Mail Order Sales

According to a compilation by Dun & Bradstreet, Inc., the gain in chain store sales in February over a year ago was a trifle better than the January comparison for the same period, due largely to the extra Saturday and extra working day in February. Mail order houses, however, were affected by the severe weather conditions. Sales for the two houses for the February period amounted to $43,396,433, an increase of 5.7 per cent from a year ago, as compared with $44,152,965 for the January period, or a rise of 11.7 per cent from last year.

Sales for 29 chain groups during February amounted to $131,002,695, an increase of 8.3 per cent over the corresponding month of 1935. In January sales for 31 chains aggregated $135,403,803, a rise of 6.0 per cent over a year ago.

ADJUSTED INDEXES OF RETAIL SALES

(1929-1931 = 100)

	* Department Stores	† Rural General Merchandise	† 5c. and 10c. Variety Stores	† New Passenger Automobiles
1936				
January	77.5	96.5	91.5	102.0
1935				
December	82.4	110.0	96.5	106.5
November	79.5	103.5	93.7	113.5
October	75.5	104.5	92.0	82.0
September	79.5	105.0	91.8	79.0
August	76.5	93.0	89.6	75.0
July	78.5	97.0	92.1	81.0
June	78.5	99.5	90.7	78.5
May	74.6	93.0	86.0	70.0
April	71.6	101.0	90.6	78.5
March	80.4	97.5	93.0	94.5
February	73.6	90.5	90.8	86.5
January	72.6	87.5	90.2	75.0

* Compiled by the Federal Reserve Board.
† Compiled by the Department of Commerce.

Combined sales of 31 chain groups and mail order houses reporting for February had a dollar value of $174,399,128, as compared with $162,031,372 in the like period of 1935, representing an increase of 7.6 per cent. This rise was practically identical with the gain of 7.4 per cent shown for January as compared with a year ago.

February Trade Results

A tabulation of reports from the various offices of Dun & Bradstreet, Inc., scattered throughout the United States, reveals a gradual lessening of activity in practically all branches of trade, industry and collections during February as compared with the preceding month. January results, in turn, were considerably lower than the peaks recorded in December, last. In each case, however, the reports, as a whole, disclosed a gain in the current levels as compared with a year ago.

The summary for the month of February indicated a slightly larger decline in wholesale trade than at retail in the comparison with January. Out of a total of 161 cities reporting for last month, 66 reported Good sales at wholesale, while 79 reported Fair sales and 16 had Quiet or Slow sales. This contrasted with 86 Good, 71 Fair and only 2 Quiet in January.

Results at retail disclosed 65 cities with Good sales for February, 70 with Fair sales and 26 with Quiet sales, as compared with the January exhibit of 82 Good, 63 Fair and 14 Quiet.

THE TREND OF PRICES

COMMODITY price movements continued highly irregular last month, with the general average on March 1 not much changed from a month ago.

Dun & Bradstreet Down Slightly

The Dun & Bradstreet Monthly Wholesale Commodity Price Index fell 1.0 per cent to $9.9196 as of March 1, as compared with $10.0204 on February 1 and $9.7954 on March 1, 1935. The latest index is still 1.3 per cent above last year.

Groups	Mar. 1, 1936	Feb. 1, 1936	Mar. 1, 1935
Breadstuffs	$0.1039	$0.1041	$0.1213
Livestock	.3173	.3218	.3325
Provisions	2.8045	2.8323	2.7890
Fruits	.2213	.2175	.2076
Hides and Leather	1.0106	1.0525	.8413
Textiles	2.7474	2.7746	2.7421
Metals	.7528	.7493	.7290
Coal and Coke	.0119	.0119	.0116
Oils	.5156	.5231	.5400
Naval Stores	.1232	.1227	.1349
Building Materials	.1062	.1087	.1072
Chemicals and Drugs	.8461	.8461	.8478
Miscellaneous	.3588	.3558	.3911
Total All	$9.9196	$10.0204	$9.7954

The decline in February was largely caused by the weakness in foodstuffs, hides and leather, and some textile products. In all, four of the commodity groups advanced, while seven declined and two remained unchanged. Individual price records showed 19 advances, 29 declines, and 48 unchanged.

Dun's Index Shows Small Gain

Supported largely by the abrupt rise in dairy products and some of the grains, Dun's Index Number of Wholesale Commodity Prices advanced to $179.601 on March 1. This represented a gain of only 0.3 per cent over the February 1 figure, but was sufficient to lift the index to the highest point in six years. Three groups rose during the month, while four declined.

	Mar. 1, 1936	Feb. 1, 1936	Jan. 1, 1936	Mar. 1, 1935
Breadstuffs	$23.912	$23.839	$23.224	$28.710
Meat	20.873	22.373	21.758	21.371
Dairy & Garden	23.740	21.618	22.190	18.819
Other Food	17.264	17.423	17.004	17.293
Clothing	30.311	30.407	31.194	27.419
Metals	24.327	24.397	24.110	23.820
Miscellaneous	39.174	38.988	38.583	39.374
Total	$179.601	$179.045	$178.063	$176.806

DUN & BRADSTREET DAILY INDEX OF 30 BASIC COMMODITIES
(1930-1932 = 100)

There have been no marked fluctuations in the commodity price level during the past few months. Trends were irregular and indefinite and the index at the close of February was about the same as on February 1.

Food Index Sharply Lower

The break in the severe cold weather in the latter part of February started a downward movement in wholesale food prices, which carried the Dun & Bradstreet Weekly Food Index sharply lower. From $2.73 on February 18, the index fell 6c. and 5c., respectively, in the two succeeding weeks, bringing the March 3 figure to $2.62, the lowest since last July, and a drop of 2.2 per cent from the same week last year.

The Dun & Bradstreet Weekly Food Index of wholesale prices (the sum total of the price per pound of 31 articles in common use) compared with preceding weeks and years, follows:

	1936	1935	1934	1933	1932
Mar. 3	$2.62	$2.68	$2.15	$1.53	$1.79
Feb. 25	2.67	2.70	2.15	1.49	1.81
Feb. 18	2.73	2.75	2.14	1.51	1.80
Feb. 11	2.68	2.76	2.11	1.51	1.80
Feb. 4	2.67	2.73	2.08	1.51	1.82

Daily Commodity Index

Daily fluctuations in the Dun & Bradstreet Daily Weighted Price Index since October, 1, 1935, are set forth below:

(1930-1932 = 100)

	1936		1935		
	Feb.	Jan.	Dec.	Nov.	Oct.
1	121.86	Holiday	†	121.06	121.74
2	†	122.40	121.23	120.86	123.09
3	121.71	122.32	121.16	†	123.38
4	121.90	122.40	120.89	123.03	124.12
5	122.11	†	120.88	Holiday	124.82
6	122.07	122.28	121.01	120.97	†
7	121.67	121.42	120.81	121.10	124.68
8	121.71	121.30	†	121.21	124.83
9	†	120.68	120.60	121.27	124.43
10	121.93	121.04	120.79	†	124.62
11	122.37	121.11	120.06	Holiday	124.16
12	Holiday	†	120.04	121.16	Holiday
13	122.64	120.82	121.40	121.06	†
14	122.97	120.56	121.08	121.86	123.75
15	123.31	120.29	†	123.03	124.34
16	†	120.33	120.24	122.36	123.82
17	122.31	120.28	120.05	†	124.08
18	123.03	120.88	120.47	122.19	123.60
19	123.40	†	120.49	122.49	123.71
20	123.03	121.23	120.93	122.80	†
21	122.70	121.20	120.89	123.05	123.57
22	Holiday	121.61	†	122.45	123.66
23	†	122.14	122.22	122.44	123.74
24	121.65	122.19	121.85	†	122.60
25	121.42	122.61	Holiday	122.51	123.46
26	121.70	†	122.19	121.94	123.16
27	121.91	122.38	121.46	121.77	†
28	121.87	122.13	120.54	Holiday	122.24
29	121.81	121.84	†	121.95	121.13
30		121.60	121.17	121.46	121.57
31		121.60	121.79		121.23

† Sunday

	High		Low	
1936	123.40	Feb. 19	120.28	Jan. 17
1935	124.83	Oct. 8	116.22	Mar. 18
1934	121.58	Dec. 31	101.05	Jan. 3
1933	113.52	July 18	67.86	Jan. 20
1932	84.41	Jan. 7	69.55	Dec. 24

GRAPHIC REVIEWS

THE RAYON INDUSTRY

RAYON yarn deliveries to American mills during February were maintained at a fairly high rate, according to the regular index of the *Rayon Organon,* published by the Textile Economics Bureau, Inc. This index stood at 516 for February, compared with 477 in January and a 1935 monthly average of 446. The January to February increase was partly accounted for by the fewer working days in February.

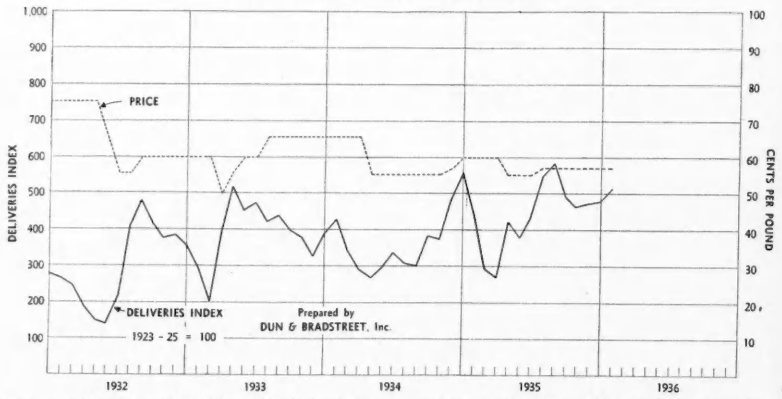
Surplus producers' rayon stocks, the *Organon* states, showed a small decline from a 1.2 to a 1.1 month's supply at the end of February. While this stock is considered normal, there nevertheless was a shortage in certain key sizes and package types during February.

The following table presents the unadjusted indices of producers' rayon deliveries, as compiled by the *Rayon Organon:*

(1923-1925 = 100)

	1936	1935	1934	1933	1932
Jan.	477	553	383	353	273
Feb.	516	441	422	293	265
Mar.	...	295	340	201	246
Apr.	...	274	290	392	186
May	...	417	286	517	148
June	...	381	305	450	137
July	...	433	334	470	213
Aug.	...	550	307	420	406
Sept.	...	583	308	433	478
Oct.	...	494	382	399	413
Nov.	...	464	386	371	371
Dec.	...	473	488	324	382
Average	...	446	353	385	293

RAYON CONSUMPTION INDEX



The rayon industry continued favorable during February, as shown by the index which rose from 477 in January to 516. This was the highest since last September and compared with a 1935 monthly average of 446.

A table prepared by the *Rayon Organon,* showing the relative value position of textile fiber consumption for the seven-year period from 1929 to 1935, discloses the fact that practically all of the increase in the rayon value position has been made at the expense of silk, as cotton and wool showed no basic change from their normal positions in the industry. The annual value of cotton, wool, silk and rayon consumed in the United States during recent years follows:

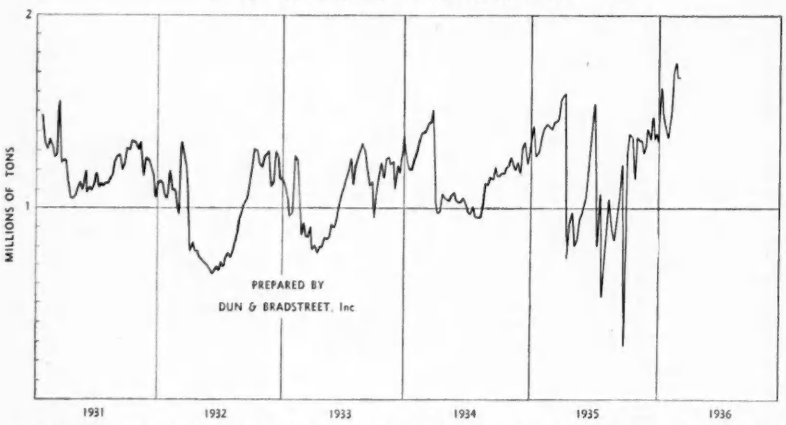
(Units Are in Millions of Dollars)

Year	Cotton	Wool	Silk	Rayon
1935	445.7	298.7	102.1	143.5
1934	440.8	188.4	75.4	114.9
1933	308.3	215.6	96.3	129.3
1932	157.7	105.8	110.6	100.4
1931	228.5	195.9	185.5	118.0
1930	355.1	200.0	232.7	125.0
1929	653.7	357.1	400.8	164.3

BITUMINOUS COAL OUTPUT

FOLLOWING the sharp increase in January, production of bituminous coal during February rose to the highest for that month since 1929, and the largest total for any month since October, 1930. This was due largely to the prolonged cold spell and heavy snows which began in January and continued throughout the greater part of February. According to the Bureau of Mines, the total output last month amounted to 41,290,000 tons, against 39,330,000 tons in January, or an increase of 5 per cent, and compared with 34,781,000 tons mined in February a year ago.

BITUMINOUS COAL PRODUCTION



The chart shows the weekly movement of daily average production. Aided by the prolonged cold spell, the rate of production during February advanced sharply to the highest level recorded since October, 1930.

Monthly Bituminous Production *

(Tons)

	1936	1935	1934
Jan.	39,330,000	36,681,100	33,459,000
Feb.	41,290,000	34,781,000	32,660,000
Mar.	.....	38,655,000	38,475,000
Apr.	.....	21,937,000	24,661,000
May	.....	26,773,000	27,445,000
June	.....	30,067,000	25,898,000
July	.....	22,252,000	24,851,000
Aug.	.....	26,112,000	27,500,000
Sept.	.....	24,944,000	27,908,000
Oct.	.....	37,664,000	33,008,000
Nov.	.....	33,285,000	30,977,000
Dec.	.....	34,829,000	32,526,000
Total	.....	367,980,000	359,368,000

Weekly Bituminous Production *

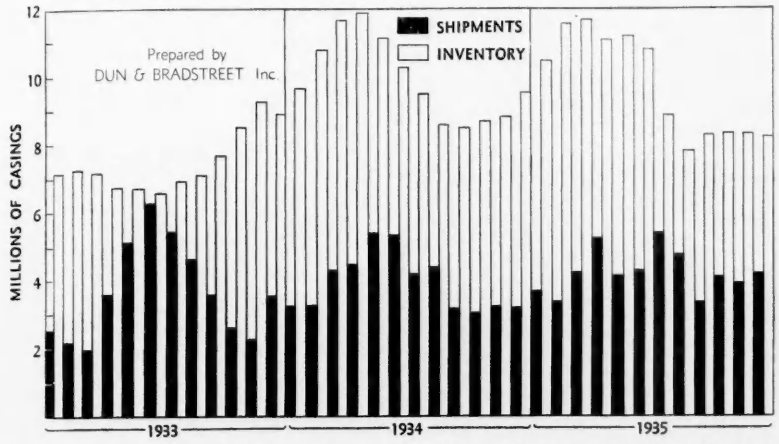
(Daily Average Output, Tons)

	1936	1935	1934
Feb. 29	1,673,000	1,463,000	1,379,000
Feb. 22	1,673,000	1,423,000	1,388,000
Feb. 15	1,746,000	1,419,000	1,336,000
Feb. 8	1,683,000	1,425,000	1,287,000
Feb. 1	1,483,000	1,415,000	1,249,000
Jan. 25	1,378,000	1,375,000	1,192,000
Jan. 18	1,424,000	1,293,000	1,205,000
Jan. 11	1,494,000	1,279,000	1,230,000
Jan. 4	1,610,000	1,429,000	1,382,000

* Source: U. S. Bureau of Mines.

OF MAJOR TRENDS

PNEUMATIC CASINGS—SHIPMENTS AND INVENTORIES



Stocks of pneumatic casings as of December 31, last, dropped to the lowest level since August 31, 1935. Shipments rose slightly above the November figure, and were about one-third above those of December, 1934.

PNEUMATIC CASINGS

SHIPMENTS of pneumatic casings in December, last, exceeded production by a small margin, according to statistics released by the Rubber Manufacturers' Association, Inc. This was reflected in a slight drop in inventories which stood at 8,196,000 units at the end of December, which was the smallest stock reported since August 31, 1935, and 1,259,000 units under last year.

Casing production at 4,051,000 in December was at the same rate as in October and slightly above the November output, while considerably above the 3,778,000 units produced in December, 1934.

Stocks of Pneumatic Casings *

(Thousands of Casings)

	1935	1934	1933	1932	1931
Jan.	10,398	9,684	7,237	7,912	8,957
Feb.	11,530	10,725	7,377	9,172	9,536
Mar.	11,675	11,651	7,290	9,878	10,014
Apr.	11,003	11,981	6,778	9,846	10,031
May	11,131	11,127	6,760	9,379	10,312
June	10,755	10,219	6,615	4,999	10,447
July	8,850	9,437	6,844	6,203	9,919
Aug.	7,805	8,697	7,070	6,659	8,896
Sept.	8,288	8,419	7,595	6,096	8,158
Oct.	8,291	8,657	8,462	6,876	8,300
Nov.	8,249	8,779	9,247	7,454	7,919
Dec.	8,196	9,455	8,888	7,644	7,775

* Source : Rubber Manufacturers' Association, Inc.

January consumption of crude rubber established a record for that month, the total of 48,506 tons being exceeded only three times since 1929.

Tire shipments for December were estimated at 4,154,000 units. This was an increase of 4.1 per cent above the preceding month and 33.6 per cent larger than the shipments made in December, 1934.

Shipments of Pneumatic Casings *

(Thousands of Casings)

	1935	1934	1933	1932	1931
Jan.	3,663	3,222	2,597	3,253	3,744
Feb.	3,287	3,285	2,292	2,553	3,402
Mar.	4,204	4,223	2,092	2,954	4,122
Apr.	5,144	4,438	3,654	3,698	4,932
May	4,067	5,332	5,180	4,258	5,415
June	4,262	5,228	6,305	10,065	5,572
July	5,447	4,157	5,497	2,404	5,462
Aug.	4,739	4,308	4,707	2,655	4,960
Sept.	3,303	3,183	3,503	3,082	3,932
Oct.	4,095	3,010	2,537	1,799	2,852
Nov.	3,990	3,191	2,197	1,711	2,887
Dec.	4,154	3,109	3,531	1,819	2,781
Total	50,355	46,686	44,092	40,251	50,061

* Source : Rubber Manufacturers' Association, Inc.

FREIGHT CARLOADINGS

AIDED by the rise in temperatures in the final week of last month, carloadings for the week ended February 29, increased sharply over the preceding week, even after allowing for the Washington's birthday holiday. With the exception of coal and ore, all classes of freight shipments showed large gains for the week. Coal loadings continued at a comparatively high rate and were well above the 1935 and 1934 totals, while merchandise and livestock shipments were again below the like periods of the two preceding years.

Loadings for the first nine weeks of this year totalled 5,488,229 cars, increases of 7.7 and 7.5 per cent, respectively, over one and two years ago.

Carloadings by commodity groups for the first nine weeks of 1936 and 1935, follow:

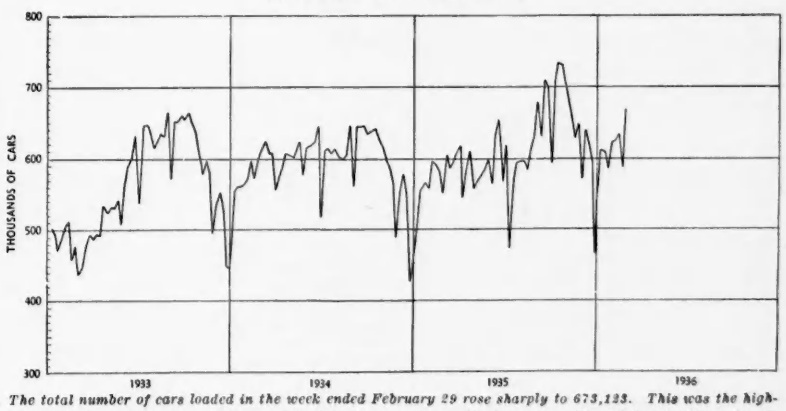
	1936	1934	Change P. C.
Miscellaneous freight..	1,941,736	1,839,499	+ 5.5
Merchandise (L. C. L.)	1,295,809	1,340,833	— 3.3
Coal	1,493,410	1,262,455	+18.3
Forest products	238,396	201,169	+18.5
Ore	50,862	32,052	+58.7
Coke	91,005	71,735	+26.8
Grain & grain products	271,752	228,666	+18.8
Livestock	105,259	120,199	—12.4

Carloadings by Weeks *

	1936	1935	1934
Feb. 29	673,123	604,331	605,717
Feb. 22	586,712	553,165	574,908
Feb. 15	631,347	581,669	600,268
Feb. 8	622,097	591,327	573,898
Feb. 1	621,839	596,961	565,401
Jan. 25	584,691	555,528	563,100

* Source: Association of American Railroads.

FREIGHT CARLOADINGS



The total number of cars loaded in the week ended February 29 rose sharply to 673,123. This was the highest total recorded for any similar period since 1931, and was the largest weekly total since November 2.

GRAPHIC REVIEWS

BUILDING DOWN SLIGHTLY

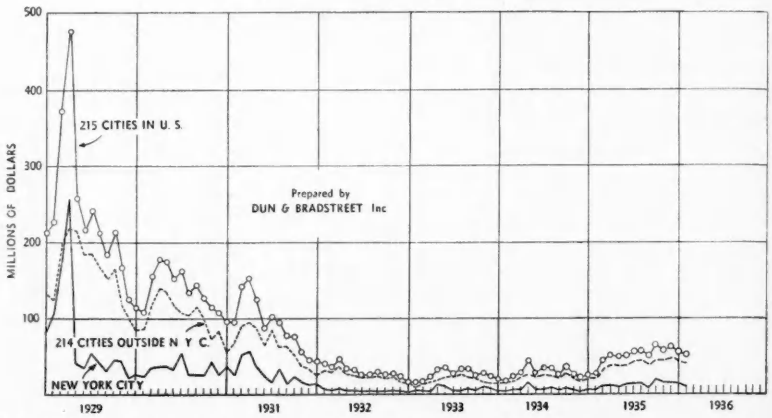
THE value of building permits issued in February continued to show a large percentage gain over the corresponding month of 1935, but fell slightly below the level of the preceding month. Usually a slight increase is recorded from January to February. Returns from 215 cities of the United States involved a total of $51,559,661 during February, a decrease of 6.2 per cent from January, but 86.6 per cent above last year.

The group totals of building permit values for the 215 cities for February, this year and last, together with percentage changes, are shown in the following table:

Groups:	February, 1936	February, 1935	Change P. C.
New England..	$2,267,669	$1,803,537	+ 25.7
Middle Atlantic	12,685,672	7,647,053	+ 65.9
South Atlantic.	7,183,218	4,049,201	+ 77.4
East Central...	4,228,997	3,227,585	+ 31.0
South Central..	12,005,896	2,623,630	+358.0
West Central..	2,464,844	1,180,432	+108.8
Mountain	1,077,307	589,723	+ 82.6
Pacific	9,646,058	6,515,206	+ 48.1
Total U. S...	$51,559,661	$27,636,367	+ 86.6
New York City.	$10,583,814	$5,852,908	+ 80.8
Outside N.Y.C..	$40,975,847	$21,783,459	+ 88.1

The bulk of the decline shown in February from January occurred in the Middle Atlantic and East Central groups of States, with the New England section showing only a small decrease. The other five groups all contributed increases, ranging from 0.6 per cent in the Mountain group to 58.6 per cent in the South Central division.

BUILDING PERMIT VALUES



A slight decline took place in the value of February building permits as compared with January. However, it is the largest February figure since 1931, and continues well above the same month of last year.

Building Permit Values (Monthly)

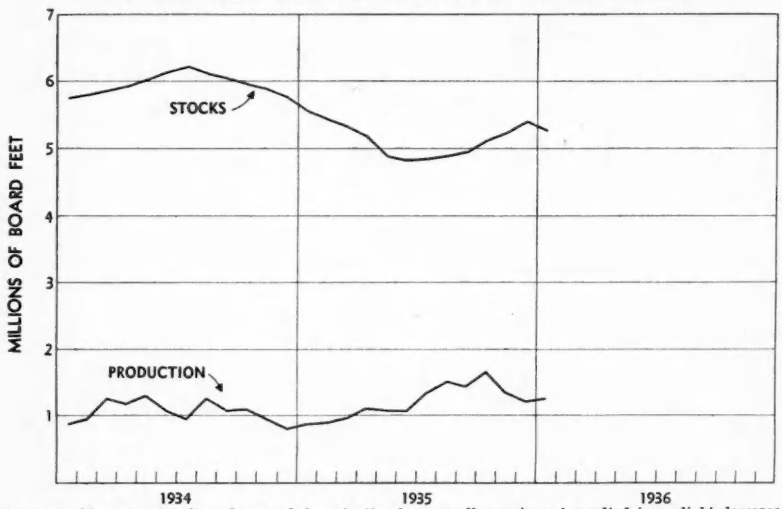
(215 Cities)

	1936	1935	1934
Jan.	$54,957,904	$26,826,268	$20,825,055
Feb.	51,406,138	27,636,367	19,326,964
Mar.	.....	45,063,852	25,505,005
April	.....	51,717,570	29,280,666
May	.....	49,327,248	43,825,268
June	.....	52,672,794	28,621,565
July	.....	54,191,787	33,899,650
Aug.	.....	55,536,546	34,452,738
Sept.	.....	47,479,944	26,567,925
Oct.	.....	66,965,705	37,501,122
Nov.	.....	56,276,588	27,459,066
Dec.	.....	62,992,039	21,125,723
Total...	.....	$596,686,708	$348,390,747

SOFTWOOD LUMBER INDUSTRY

PRODUCTION of softwood lumber in the United States during January was only slightly better than in December, although comparison with the same month of 1935 and 1934 revealed substantial gains. Shipments for the month exceeded production and showed a fair increase over December and the like month of last year. Stocks at the end of January declined to 5,298,000,000 board feet, a decline of 5 per cent under a year ago.

LUMBER (SOFTWOODS) PRODUCTION AND STOCKS



January shipments of softwoods exceeded production by a small margin and resulted in a slight decrease in stocks. Although below a year ago, inventories are somewhat larger than the low levels of last June.

Lumber (Softwoods) Production *

(Millions of Board Feet)

	1936	1935	1934
January	1,261	871	869
February	.....	901	944
March	.....	977	1,253
April	.....	1,102	1,188
May	.....	1,084	1,310
June	.....	1,074	1,069
July	.....	1,358	935
August	.....	1,517	1,279
September	.....	1,457	1,052
October	.....	1,669	1,098
November	.....	1,347	944
December	.....	1,215	794
Total	.....	14,572	12,735

Lumber (Softwoods) Stocks *

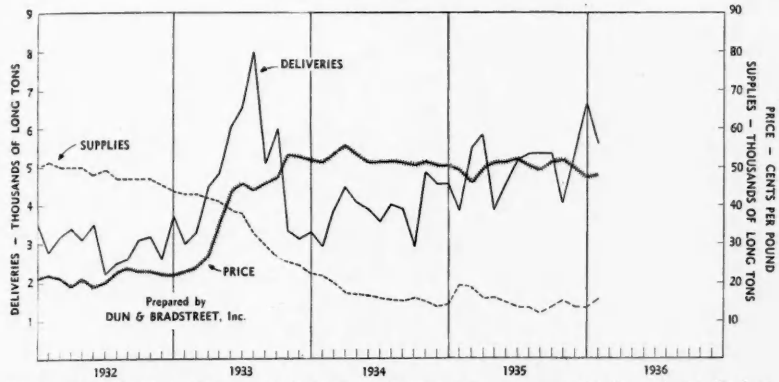
(Millions of Board Feet)

	1936	1935	1934
January	5,298	5,587	5,764
February	.....	5,454	5,801
March	.....	5,325	5,871
April	.....	5,196	5,936
May	.....	4,884	6,020
June	.....	4,833	6,155
July	.....	4,865	6,234
August	.....	4,901	6,134
September	.....	4,974	6,050
October	.....	5,131	5,994
November	.....	5,251	5,898
December	.....	5,414	5,774
Monthly Average..	.....	5,151	5,969

* Source: National Lumber Manufacturers' Association.

OF MAJOR TRENDS

TIN DELIVERIES, SUPPLIES AND PRICE



American tin deliveries in February acclined about 1,000 from the previous month but remained well above the same period of last year. World's visible stocks rose about 2,300 tons. Prices were fairly steady.

WORLD'S TIN SUPPLIES UP

DOMESTIC deliveries of tin in February fell slightly more than a thousand tons, making the total for the month 5,600 tons. This, however, was 1,700 tons greater than February, 1935, and brought the total deliveries for the two months of this year to 12,235 tons, or an increase of 3,730 tons above the corresponding two months of last year.

The rate of consumption in the United States has been fairly well maintained and it is anticipated by the trade that American deliveries for the first quarter will exceed 18,000 tons which will compare with 14,000 tons in 1935 and 10,100 tons in the first three months of 1934. Consumption has been aided by the rise in production of tin and terne plate, which reached 3,700,000 boxes last month, the largest February total in the history of the industry.

U. S. Tin Deliveries *

(Long Tons)

	1936	1935	1934	1933	1932
Jan.	6,635	4,600	3,310	3,725	3,550
Feb.	5,600	3,905	2,940	3,045	2,825
Mar.	....	5,495	3,835	3,330	3,285
Apr.	....	5,825	4,405	4,555	3,440
May	....	3,950	4,110	4,835	3,135
June	....	4,615	3,845	6,145	3,540
July	....	5,290	3,575	6,540	2,265
Aug.	....	5,320	4,045	8,020	2,585
Sept.	....	5,360	3,850	5,105	2,680
Oct.	....	5,355	2,925	6,035	3,130
Nov.	....	4,035	4,845	3,350	3,240
Dec.	....	5,360	4,530	3,130	2,645
Total..	....	59,110	46,215	57,815	36,320

* Source: Commodity Exchange, Inc.

World's visible tin supplies rose 2,269 tons to 15,607 tons on February 29, compared with 19,652 last year. After allowing for changes in carryover in the Straits Settlements and Arnheim, Holland, however, the actual net gain in world's supply was only 329 tons.

World's Visible Tin Supplies *

(Long Tons)

	1936	1935	1934	1933
January	13,338	14,694	22,476	44,223
February	15,607	19,652	21,694	43,160
March	.....	19,416	20,423	43,528
April	.....	16,614	17,704	42,541
May	.....	16,718	17,371	41,883
June	.....	14,275	17,251	39,964
July	.....	13,162	16,313	38,043
August	.....	13,246	15,494	33,534
September	.....	11,939	15,386	30,162
October	.....	13,425	16,475	27,940
November	.....	15,049	15,094	26,075
December	.....	13,782	13,698	23,812
Mo. Average..	14,473	15,164	17,448	36,239

* Source: Commodity Exchange, Inc.

ELECTRICITY PRODUCTION

PRODUCTION of electricity for public use started the new year with the largest average daily and monthly production ever recorded in the United States. Output in January amounted to 9,257,000,000 kilowatt-hours, an increase of 11 per cent over the same month of 1935, according to the U. S. Geological Survey. Daily average production totalled 298,600,000 kilowatt-hours, or 1.5 per cent more than the December average, which is about double the normal change from December to January.

Monthly Electricity Production *

(Millions of kilowatt-hours)

	1936	1935	1934	1933
January	9,257	8,349	7,631	6,965
February	....	7,494	7,049	6,297
March	....	8,011	7,717	6,687
April	....	7,817	7,443	6,478
May	....	8,021	7,683	7,013
June	....	7,873	7,472	7,242
July	....	8,370	7,605	7,491
August	....	8,573	7,710	7,688
September	....	8,208	7,206	7,350
October	....	8,844	7,831	7,479
November	....	8,692	7,606	7,243
December	....	9,131	8,058	7,470
Total	....	99,383	91,011	85,403

* Source: U. S. Geological Survey.

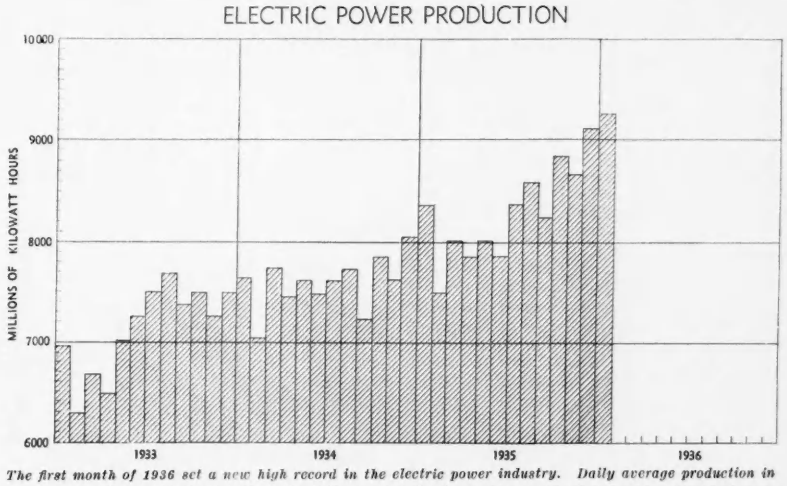
Weekly Electricity Output *

(Millions of kilowatt-hours)

	1936	1935	1934
Feb. 29	1,903,363	1,734,338	1,658,000
Feb. 22	1,941,633	1,728,293	1,646,000
Feb. 15	1,950,278	1,760,562	1,641,000
Feb. 8	1,952,476	1,763,696	1,652,000
Feb. 1	1,962,827	1,762,671	1,636,000
Jan. 25	1,955,507	1,781,666	1,611,000
Jan. 18	1,949,676	1,778,273	1,625,000
Jan. 11	1,970,578	1,772,609	1,646,000
Jan. 4	1,854,874	1,668,731	1,564,000

* Source: Edison Electric Institute.

ELECTRIC POWER PRODUCTION



The first month of 1936 set a new high record in the electric power industry. Daily average production in January was 1.5 per cent more than the daily average for December, or about twice the normal change.

FEBRUARY BUILDING PERMIT VALUES FOR 215 CITIES

THE detailed report of building permit values for February, 1936 and 1935, and for January, 1936, as reported to Dun & Bradstreet, Inc., follows:

New England	Feb., 1936	Feb., 1935	Jan., 1936
Boston	$645,914	$330,351	$506,425
Bridgeport	42,375	33,980	99,720
Brockton	25,000	10,879	22,950
Burlington, Vt.	400	3,775	2,425
Cambridge	34,195	20,160	87,228
Chelsea	10,035	210,900	12,300
Everett	7,300	5,695	39,200
Fall River	14,290	3,555	6,360
Fitchburg	28,585	3,670	9,737
Greenwich	103,520	19,650	136,850
Hartford	120,712	322,926	123,537
Haverhill	167,530	2,875	5,450
Holyoke	2,750	44,050	20,550
Lawrence	132,950	25,850	121,500
Lowell	13,170	6,475	9,960
Lynn	10,300	92,775	24,475
Manchester	16,550	22,191	7,785
Medford	19,045	14,585	20,450
New Bedford	9,125	10,550	17,300
New Britain	191,839	9,570	40,505
New Haven	34,740	95,269	62,591
Newton	122,375	59,905	182,621
Norwalk	77,295	28,045	59,504
Portland, Me.	18,293	16,088	11,620
Providence	55,850	68,750	130,400
Quincy, Mass.	35,888	30,635	19,870
Salem	118,100	50,285	19,000
Somerville	2,830	45,650	16,080
Sp'gfield, Mass.	45,252	78,785	42,883
Stamford	16,410	21,605	46,220
Waterbury	35,050	6,300	15,520
West Hartford	80,766	41,418	216,981
Worcester	29,235	66,340	140,435
Total	$2,267,669	$1,803,537	$2,278,432
Middle Atlantic			
Manhattan 1.	$1,013,300	$458,000	$2,373,300
Manhattan 2.	1,034,985	1,567,825	1,574,790
Bronx 1	2,734,500	879,950	6,258,400
Bronx 2	1,434,399	231,635	260,983
Brooklyn 1	833,350	965,120	1,078,080
Brooklyn 2	759,935	287,776	669,855
Queens 1	1,685,305	1,084,611	1,462,714
Queens 2	494,888	207,383	299,631
Richmond 1	239,659	102,838	79,015
Richmond 2	353,493	67,770	48,478
Total N.Y.C.	$10,583,814	$5,852,908	$14,105,246

(1) New work. (2) Alterations.

Albany	$88,523	$395,508	$121,462
Allentown	10,500	8,325	14,200
Altoona	14,220	8,421	3,821
Atlantic City	22,090	53,394	95,168
Auburn	1,432	3,825	4,600
Bayonne	26,835	4,850	8,775
Binghamton	28,838	52,674	58,547
Buffalo	51,870	44,924	112,271
Camden	55,566	3,550	58,006
East Orange	24,072	31,981	52,836
Elizabeth	54,745	14,670	62,325
Elmira	5,754	5,330	12,945
Erie	16,355	19,067	18,585
Harrisburg	16,150	30,530	43,765
Jamestown	1,125	11,790	18,661
Jersey City	27,755	39,260	38,450
Lancaster	30,858	21,645	10,240
Mount Vernon	21,655	17,775	45,845
Newark, N. J.	117,250	93,578	136,937

Mid. Atlantic (Cont.)	Feb., 1936	Feb., 1935	Jan., 1936
New Brunswick	$1,150	$3,150	$19,190
New Rochelle	20,472	15,022	84,546
Niagara Falls	16,179	22,971	55,764
Philadelphia	596,300	233,010	751,410
Pittsburgh	201,532	202,718	143,820
Poughkeepsie	26,000	10,200	1,200
Reading	50,975	5,845	30,430
Rochester	64,390	114,948	920,957
Schenectady	35,000	18,328	23,231
Scranton	5,495	16,815	25,365
Syracuse	50,435	41,668	56,505
Troy	9,800	18,750	7,805
Utica	8,750	4,000	20,650
Watertown	1,230	3,750	5,280
White Plains	8,350	15,500	60,599
Wilkes-Barre	140,761	12,809	10,944
Williamsport	35,943	5,036	3,921
Wilmington	95,724	84,573	72,561
Yonkers	98,900	95,400	73,975
York	18,879	8,555	22,355
Total	$12,685,672	$7,647,053	$17,413,193
South Atlantic			
Asheville	$36,450	$11,810	$12,633
Atlanta	174,455	299,364	291,779
Augusta	113,035	13,491	23,045
Baltimore	2,186,784	498,120	910,440
Charleston, S.C.	83,467	37,103	162,998
Charlotte	137,467	123,511	131,387
Coral Gables	100,750	8,800	58,310
Greensboro	77,009	21,110	31,575
Greenville	97,875	174,460	26,165
J'ksonville, Fla.	250,595	166,199	280,032
Lynchburg	22,681	30,141	25,853
Macon	25,146	23,284	115,512
Miami	938,606	220,461	554,929
Miami Beach	386,840	264,500	261,169
Norfolk	53,060	1,074,795	71,216
Richmond	173,117	87,582	185,335
Roanoke	34,157	21,491	11,544
Savannah	112,988	28,612	865,585
Tampa	54,390	88,749	58,796
Wash'gton, D.C.	2,080,780	833,400	1,585,725
Winston-Salem, N. C.	43,566	22,218	80,384
Total	$7,183,218	$4,049,201	$5,754,412
East Central			
Akron	$56,108	$46,814	$159,776
Bay City	27,105	3,200	6,225
Berwyn	350	None	2,120
Bluefield	60,150	7,630	27,500
Canton	8,900	30,399	68,713
Chicago	613,550	278,295	489,120
Cincinnati	611,335	504,210	867,170
Clarksburg	25,151	10,765	14,619
Cleveland	336,100	143,800	1,737,500
Columbus	89,200	66,750	263,950
Dayton	31,433	46,155	118,827
Detroit	888,160	904,179	1,502,091
East St. Louis	46,248	8,355	5,592
Evanston	29,250	105,000	38,250
Evansville	66,351	41,975	78,578
Flint	49,149	37,580	58,639
Fort Wayne	41,046	11,556	66,065
Gary	18,230	27,915	18,458
Grand Rapids	11,825	61,015	204,250
Green Bay	2,682	29,650	124,925
Hammond	19,106	26,050	12,652
Huntington	39,190	10,048	373,369
Indianapolis	128,060	120,418	829,164
Lansing	8,235	86,530	42,550
Lima	14,135	16,365	20,755
Louisville	82,925	147,952	411,929
Madison	55,655	13,825	64,725
Milwaukee	284,373	152,354	299,946
Newark, Ohio	None	1,600	8,575
Oak Park	27,000	1,225	77,925
Peoria	32,725	34,890	263,173
Pontiac	5,053	5,215	86,957
Quincy, Ill.	9,900	3,100	4,025
Racine	304,500	2,600	76,975
Rockford	36,625	6,825	15,160
Saginaw	23,100	7,556	96,790
South Bend	27,530	9,415	53,090
Springfield, Ill.	8,000	6,900	31,000
Springfield, O.	13,350	13,350	11,650
Superior	2,667	80,567	80,448
Terre Haute	26,315	13,686	26,027
Toledo	18,455	34,800	1,637,422
Waukegan	3,340	15,245	91,710
Wheeling	25,600	17,900	73,303
Youngstown	12,835	32,176	36,775
Zanesville	8,000	1,750	15,765
Total	$4,228,997	$3,227,585	$10,654,228

South Central	Feb., 1936	Feb., 1935	Jan., 1936
Abilene	$5,135	$6,160	$10,390
Amarillo	43,295	10,307	43,334
Austin	456,432	176,590	799,345
Beaumont	102,232	14,270	219,837
Birmingham	57,017	105,419	129,252
Chattanooga	239,961	43,824	601,818
Dallas	2,149,091	225,478	999,275
El Paso	53,171	42,390	42,093
Fort Smith	35,727	15,980	48,173
Fort Worth	284,975	46,400	582,400
Galveston	71,013	209,658	25,561
Houston	3,691,312	443,179	793,921
Jackson	211,840	32,320	191,610
Knoxville	97,763	141,013	43,151
Little Rock	27,211	25,228	60,982
Memphis	443,690	204,750	179,010
Mobile	40,428	36,466	182,059
Montgomery	65,757	140,913	66,099
Muskogee	1,985	3,868	3,695
Nashville	1,949,648	50,707	394,124
New Orleans	144,950	122,440	357,662
Oklahoma City	1,271,838	138,080	1,018,329
Port Arthur	48,344	31,247	25,409
San Angelo	19,323	10,967	5,625
San Antonio	149,012	45,241	489,889
Shreveport	136,650	148,507	84,203
Tulsa	149,625	72,544	136,674
Waco	39,896	9,825	28,774
Wichita Falls	18,575	69,859	12,995
Total	$12,005,896	$2,623,630	$7,575,689
West Central			
Cedar Rapids	$48,487	$14,832	$36,505
Davenport	24,468	11,268	12,120
Des Moines	56,300	20,770	89,125
Dubuque	46,482	3,775	10,188
Duluth	13,546	61,855	11,958
Fargo	1,170	100	2,800
Kan. City, Kan.	44,815	9,145	15,005
Kan. City, Mo.	356,400	103,600	234,400
Lincoln	6,500	21,796	45,643
Minneapolis	388,930	151,760	150,340
Omaha	292,745	74,235	49,175
St. Joseph	4,200	9,835	16,100
St. Louis	298,275	402,096	325,918
St. Paul	126,717	97,650	377,443
Sioux City	2,400	25,875	17,550
Sioux Falls	6,000	47,130	1,850
Topeka	628,570	38,725	48,480
Wichita	118,839	85,985	222,629
Total	$2,464,844	$1,180,432	$1,667,229
Mountain			
Billings *	85,560	$26,947	$9,090
Boise	101,274	27,551	75,954
Butte	4,850	2,980	24,490
Colorado Spr'gs	99,070	10,045	7,016
Denver	449,142	294,339	547,354
Great Falls	3,330	15,385	3,050
Ogden	7,149	8,900	15,905
Phoenix	78,503	11,600	45,390
Pueblo	5,290	87,622	5,306
Salt Lake City	96,309	96,309	120,391
Tucson	142,410	34,992	226,552
Total	$1,077,307	$589,723	$1,071,408

(*) Not included in totals.

Pacific			
Bakersfield	$186,823	$36,408	$133,508
Berkeley	117,326	98,073	277,294
Beverley Hills	190,735	207,200	404,375
Fresno	173,733	122,599	88,753
Glendale	529,598	78,394	238,976
Long Beach	737,575	421,860	546,925
Los Angeles	3,112,503	1,555,561	3,110,497
Oakland	388,053	1,831,482	389,742
Pasadena	110,667	49,513	190,456
Portland, Ore.	1,132,025	357,940	264,300
Sacramento	339,092	70,463	384,450
San Diego	380,452	333,950	432,242
San Francisco	1,299,971	607,622	1,155,520
San Jose	177,360	134,985	129,360
Seattle	389,470	435,625	319,855
Spokane	67,790	65,635	96,610
Stockton	257,221	39,961	284,820
Tacoma	55,664	67,935	95,630
Total	$9,646,058	$6,515,206	$8,543,313
Total U. S.	$51,559,661	$27,636,367	$54,957,904
New York City	$10,583,814	$5,852,908	$14,105,246
Outside N.Y.C.	$40,975,847	$21,783,459	$40,852,658

BANK CLEARINGS HIGHEST FOR FEBRUARY SINCE 1931

RECEDING from the January totals, though by no means at a low level, bank clearings for February throughout the country showed a 15.5 per cent gain over the figures of a year ago.

The total for the month aggregated $22,064,955,000, against $19,108,209,000 in 1935.

This table shows total clearings for each February back to 1931:

	Total	New York	Outside
		(000,000 omitted)	
1936	$22,065	$14,582	$7,483
1935	19,108	12,852	6,256
1934	19,043	13,500	5,543
1933	17,093	12,164	4,929
1932	19,565	13,219	6,346
1931	30,559	21,223	9,336

The current figures were the highest for any February back to 1931; while the low point in the past six years was touched in 1933, a month preceding the bank holiday.

The increase for the month was widespread in contrast with the 1935 totals. New York City registered a 13.5 per cent gain, and the total for centers outside showed a percentage increase of 19.6. No declines were shown at individual cities this year as compared with last; whereas, when the 1935 figures were compared with those of 1934, a decline was shown for Omaha. This year, an increase of 14.5 per cent appeared at that city. A falling-off appeared in three cities, Philadelphia, Cleveland and New Orleans, in 1934 from the 1933 totals. This year, however, these same cities reported gains of 21.8 per cent, 22.9 per cent and 18.3 per cent, respectively.

Daily Average Bank Clearings

	1936	1935	
February	$959,346	$873,105	+ 9.9
January	972,770	907,278	+ 7.2
	1935	1934	
December	$962,866	$869,271	+10.8
November	926,672	739,907	+25.2
October	925,833	747,546	+23.8

March Opens High

A rise occurred in bank clearings for the week ended Wednesday, March 4. The total for twenty-two leading cities in the United States was $6,064,658,000, against $5,947,995,000 for the same period of last year, an increase of 2.0 per cent. In the preceding five-day week the gain amounted to 8.9 per cent. Clearings at New York City were $4,003,294,000, or 2.4 per cent below last year's, while the aggregate for centers outside of New York of $2,061,364,000 rose 11.6 per cent above the $1,846,764,000 reported in 1935.

Clearings both this year and last covered the heavier monthly settlements incident to the first week of a month. The total for the week exceeded that for the five-day period preceding by $1,045,878,000. For the two similar weeks of last year, the increase amounted to $1,338,045,000. There were gains this week at 18 of the 22 cities reporting. The most substantial rises over last year's totals occurred at Pittsburgh, New Orleans, Chicago, Omaha and San Francisco.

Beside the slight decline at New York City, three other cities, Baltimore, Richmond and Minneapolis, showed small losses.

Figures at leading centers, compared with those of a year ago, are printed herewith:

	Week Mar. 4, 1936	Week Mar. 6, 1935	Per Cent Change
	(000 omitted)		
Boston	$232,979	$218,732	+ 6.5
Philadelphia	385,000	371,000	+ 3.8
Buffalo	30,500	26,300	+ 16.0
Pittsburgh	122,141	103,148	+ 18.4
Cleveland	71,503	63,186	+ 13.2
Cincinnati	55,413	51,240	+ 8.1
Baltimore	63,739	64,051	— 0.5
Richmond	30,725	31,426	— 2.2
Atlanta	46,200	41,400	+ 11.6
New Orleans	32,379	24,992	+ 29.6
Chicago	343,100	254,000	+ 35.1
Detroit	104,445	100,725	+ 3.7
St. Louis	82,399	81,100	+ 1.6
Louisville	32,335	31,116	+ 3.9
Minneapolis	51,931	53,403	— 2.8
Kansas City	89,442	87,606	+ 2.1
Omaha	39,728	28,155	+ 41.1
Dallas	39,050	36,356	+ 7.4
San Francisco	153,100	127,400	+ 20.2
Portland, Ore.	26,919	25,781	+ 4.4
Seattle	28,336	25,647	+ 10.5
Total	$2,061,364	$1,846,764	+ 11.6
New York	4,003,294	4,101,231	— 2.4
Total All	$6,064,658	$5,947,995	+ 2.0

WEEKLY BANK CLEARINGS FOR THE MONTH OF FEBRUARY

	Week Feb. 5, 1936	Per Cent	Five Days Feb. 11, 1936	Per Cent	Week Feb. 19, 1936	Per Cent	Five Days Feb. 26, 1936	Per Cent
Boston	$229,000	+19.0	$212,798	+29.9	$213,044	+10.6	$202,616	+16.9
Philadelphia	389,000	+30.1	287,000	+27.0	365,000	+ 2.2	317,000	+11.2
Buffalo	30,200	+18.4	20,500	+ 6.2	33,900	+ 9.0	26,300	+10.0
Pittsburgh	119,635	+24.6	81,854	+15.5	120,150	+16.1	103,825	+17.5
Cleveland	66,957	+24.5	61,005	+47.3	80,912	+16.5	62,265	+12.3
Cincinnati	46,229	— 1.3	36,771	+ 2.4	57,611	+11.6	43,284	+ 6.1
Baltimore	57,987	+12.7	54,323	+25.1	57,091	+ 9.5	51,921	+17.3
Richmond	30,538	+12.5	27,918	+ 6.7	28,857	— 2.3	27,025	— 0.1
Atlanta	44,200	+ 9.1	29,900	—20.9	43,400	+ 5.3	37,700	+ 7.4
New Orleans	26,683	+14.2	20,002	+22.3	29,788	+ 8.4	27,512	— 1.4
Chicago	274,600	+18.5	213,500	+11.7	305,700	+23.1	260,000	+23.8
Detroit	93,406	+24.1	59,762	— 3.1	111,035	+17.2	88,066	— 8.9
St. Louis	70,561	+ 4.1	58,059	— 0.6	80,563	+ 7.7	69,830	+14.9
Louisville	23,880	—13.3	23,059	+ 1.0	36,679	+12.5	25,607	+15.6
Minneapolis	45,839	+ 0.1	36,870	— 2.5	55,273	+ 4.4	45,722	+10.2
Kansas City	83,048	+11.0	65,908	— 8.7	87,248	+ 3.2	79,290	+ 9.2
Omaha	27,077	+ 7.0	20,873	— 4.0	28,420	— 3.4	28,411	+25.6
Dallas	41,464	+ 9.4	28,099	— 6.8	50,811	+21.3	33,346	— 0.3
San Francisco	129,000	+ 9.8	98,000	— 5.9	143,800	+ 7.9	114,400	+19.5
Portland, Ore.	20,979	+ 3.2	18,436	+11.9	28,857	+11.8	21,140	+16.5
Seattle	27,805	+14.9	21,973	+25.2	34,672	+33.2	24,441	+20.2
Total	$1,878,988	+17.1	$1,485,610	+11.5	$1,992,811	+10.7	$1,689,701	+13.0
New York	4,033,340	+22.2	2,859,535	— 2.4	3,654,583	+ 5.8	3,329,079	+ 6.9
Total All	$5,912,328	+20.5	$4,345,145	+ 2.2	$5,647,394	+ 7.5	$5,018,780	+ 8.9

Note—Clearings reported in millions and thousands (000 omitted throughout). Percentage shows increase or decrease compared with the figures of the same week in 1935.

STATISTICAL RECORD OF

VISIBLE GRAIN SUPPLIES

Returns to DUN & BRADSTREET, INC., of available wheat stocks held on February 29, 1936, in the United States and Canada, leading ports of the United Kingdom and Europe, and the supply on passage for the United Kingdom, also the stocks of corn and oats held in the United States and Canada, with comparisons, are as follows, figures being in bushels:

Wheat	*Feb. 29, 1936*	*Changes from Last Week*	*Mar. 2, 1935*
United States, east of Rocky Mountains	58,164,000	— 3,124,000	62,769,000
United States, west of Rocky Mountains	6,625,000	— 85,000	4,646,000
Canada	223,725,000	— 4,991,000	235,515,000
Total, United States and Canada	288,514,000	— 8,200,000	302,930,000
United Kingdom and Afloat (Broomhall)	47,700,000	+ 4,800,000	46,500,000
Total, American, United Kingdom and Afloat	336,214,000	— 3,400,000	349,430,000
Continent { Marseilles, Rotterdam & Amsterdam } (Broomhall)	3,800,000	— 200,000	6,300,000
Total, American and European Supply	340,014,000	— 3,600,000	355,730,000
Corn—United States and Canada	5,008,000	+ 449,000	28,160,000
Oats—United States and Canada	51,002,000	— 1,105,000	34,682,000

The combined aggregate wheat visible supply statistics, in bushels, follow. (Last three 000 omitted):

Week ending 1935	*U. S. east of Rockies*	*U. S. Pacific Coast*	*Total U. S.*	*Canada*	*Total U. S. and Canada both Coasts*	*U. K. and Afloat (Broomhall)*	*Total American, U. K. and Afloat*	*Continent*	*Total America and Europe*
Dec. 14	77,951	7,321	85,272	260,060	345,332	35,500	380,832	3,500	384,332
Dec. 21	76,998	7,151	84,149	258,597	342,746	35,000	377,746	3,000	380,746
Dec. 28	76,478	7,231	83,709	255,899	339,608	31,600	371,208	4,100	375,308
1936									
Jan. 4	74,730	7,253	81,983	259,928	341,911	30,500	372,411	3,800	376,211
Jan. 11	72,182	7,251	79,433	256,124	335,557	30,900	366,457	4,100	370,557
Jan. 18	70,737	7,027	77,764	251,967	329,731	32,600	362,331	3,800	366,131
Jan. 25	69,616	6,941	76,557	247,948	324,505	36,400	360,905	3,600	364,505
Feb. 1	68,010	7,084	75,094	243,631	318,725	35,300	354,025	3,600	357,625
Feb. 8	65,323	7,051	72,374	238,888	311,262	38,200	349,462	3,900	353,362
Feb. 15	63,715	6,783	70,498	234,523	305,021	40,000	345,021	3,900	348,921
Feb. 22	61,288	6,710	67,998	228,716	296,714	42,900	339,614	4,000	343,614
Feb. 29	58,164	6,625	64,789	223,725	288,514	47,700	336,214	3,800	340,014

Corn Exports

(By telegraph to Dun & Bradstreet, Inc.)

Corn exports in bushels from leading United States and Canadian ports compare as follows:

Week ending	*1935*	*1934*	*1933*
Nov. 16	.....	.....	.....
Nov. 23	.....	.....	4,000
Nov. 30	.....	.....	149,000
Dec. 7	.....	1,000	77,000
Dec. 14	.....	.....	36,000
Dec. 21	.....	1,000	3,000
Dec. 28	.....	.....	9,000
	1936	*1935*	*1934*
Jan. 4	.....	.....	1,000
Jan. 11	.....	2,000	2,000
Jan. 18	2,000	.....	1,000
Jan. 25	.....	3,000	28,000
Feb. 1	5,000	7,000	12,000
Feb. 8	1,000	2,000	33,000
Feb. 15	5,000	1,000	15,000
Feb. 22	5,000	.....	75,000
Feb. 29	1,000	5,000	9,000
July 1 to date	64,000	26,000	483,000

Wheat and Flour Exports

(By telegraph to Dun & Bradstreet, Inc.)

The quantity of wheat (including flour as wheat) exported from leading United States and Canadian ports for the week and season compare as follows, in bushels:

Week ending	*1935*	*1934*	*1933*
Nov. 16	4,350,918	2,156,278	5,452,026
Nov. 23	4,135,140	3,807,533	5,520,073
Nov. 30	3,436,762	4,238,667	6,191,176
Dec. 7	3,339,437	1,891,187	3,952,526
Dec. 14	3,139,067	1,682,268	2,910,662
Dec. 21	1,398,451	1,315,177	4,139,838
Dec. 28	3,834,867	1,693,176	2,969,374
	1936	*1935*	*1934*
Jan. 4	1,773,127	1,691,338	4,061,746
Jan. 11	2,987,713	1,947,836	4,042,082
Jan. 18	4,073,779	1,817,608	5,191,770
Jan. 25	4,372,026	2,272,329	3,287,630
Feb. 1	4,613,230	2,909,021	4,518,725
Feb. 8	4,803,483	2,035,497	3,165,078
Feb. 15	4,401,951	1,872,675	3,622,380
Feb. 22	4,632,699	3,229,615	3,122,133
Feb. 29	3,309,105	1,921,906	4,451,617
July 1 to date	110,657,391	104,994,023	142,313,170

Grain Movement

Receipts of flour and grain at twelve Western lake and river points for the week and season compare as follows (000 omitted):

Week	*Flour, bbls.*	*Wheat, bus.*	*Corn, bus.*	*Oats, bus.*
Feb. 29, 1936	505	1,916	5,683	1,496
Feb. 22, 1936	316	1,118	2,906	879
Feb. 15, 1936	325	1,026	3,419	1,010
Feb. 8, 1936	341	1,629	3,485	1,490
Feb. 1, 1936	360	1,821	3,227	1,452
Mar. 2, 1935	349	1,350	2,546	1,333
Season, July 1, 1935, to February 29, 1936—				
Flour, bbls.	12,665	Corn, bus.	109,570	
Wheat, bus.	285,037	Oats, bus.	100,538	
Season, July 1, 1934, to March 2, 1935—				
Flour, bbls.	12,324	Corn, bus.	159,204	
Wheat, bus.	208,891	Oats, bus.	40,368	

Cereal Exports by Ports

(By telegraph to Dun & Bradstreet, Inc.)

Exports of cereals from leading ports in the United States and Canada for the week ending February 29, 1936, were as follows:

From	*Flour, barrels*	*Wheat, bushels*	*Corn, bushels*
New York	53,044	683,000	.....
Philadelphia	.....	.....	.....
Baltimore	.....	.....	.....
Boston	.....	388,000	.....
Newport News	.....	.....	.....
Norfolk	.....	40,000	1,000
New Orleans	2,000	1,000	.....
Galveston	.....	.....	.....
Total, Atlantic	55,044	1,112,000	1,000
Previous week	56,010	1,250,000	5,000
San Francisco	.....	.....	.....
Portland, Ore.	2,460	.....	.....
Puget Sound	2,660	.....	.....
Total, Pacific	5,120	.....	.....
Previous week	.....	.....	.....
Total, U. S.	60,164	1,112,000	1,000
Previous week	56,010	1,250,000	5,000
Montreal	.....	.....	.....
Halifax	.....	95,000	.....
Vancouver	.....	1,683,367	.....
West St. John	24,000	.....	.....
St. John	.....	40,000	.....
Total, Canada	24,000	1,818,367	.....
Previous week	91,081	3,085,113	.....
Grand Total	84,164	2,930,367	1,000
Previous week	147,091	4,335,113	5,000

U. S. Grain East of Rocky Mountains

Stocks of grain available in the United States February 29, 1936, in bushels, were as follows, with comparisons:

(Last three 000 omitted)

	Wheat	*Corn*	*Oats*	*Barley*
Minneapolis	12,034	15	12,767	5,912
Duluth	4,621	54	8,191	2,330
Sioux City, Iowa	298	29	374	5
Milwaukee	880	10	464	1,197
Afloat	....	....	220	....
Omaha and Council Bluffs	3,693	243	4,373	901
Hutchinson	1,474	....	....	....
Lincoln, Neb.	450	30	....	....
Wichita	938	4	4	....
Kansas City	9,270	87	2,198	176
St. Joseph	719	112	771	89
Chicago	6,155	1,833	5,536	399
Afloat	139	....	232	47
Peoria	1	43	4	....
Indianapolis	1,287	658	467	....
St. Louis	1,392	655	542	74
Louisville	1,182	55	76	2
Chattanooga	168	20	....	....
Nashville	264	79	246	....
New Orleans	6	44	46	....
Galveston	414	25	....	....
Fort Worth, Tex.	1,504	126	341	15
Dallas, Tex.	673	....	....	....
On Lakes	....	....	....	....
On Canal	....	....	....	....
Detroit	150	3	5	60
Erie, Pa.	....	....	....	2
Cleveland	103	....	....	....
Mansfield	370	35	350	....
Dayton	11	6	4	2
Cincinnati	318	121	69	10
Buffalo	5,941	407	1,543	1,469
Afloat	2,360	....	816	727
Boston	2	28	5	....
Providence, R. I.	19	16	4	2
New York	109	194	369	20
Afloat	....	....	152	....
Philadelphia	559	56	25	3
Baltimore	660	15	19	1
Newport News	....	....	....	....
Norfolk	....	5	....	....
Feb. 29, 1936	58,164	5,008	40,213	13,443
Feb. 22, 1936	61,288	4,559	40,931	14,235
Mar. 2, 1935	62,769	28,160	19,443	11,516

Canadian Grain Stocks

The available grain stocks in Canada February 29, 1936, follow, with comparisons:

(Last three 000 omitted)

	Wheat	*Corn*	*Oats*	*Barley*
Montreal	8,372	....	516	571
Churchill	2,281	....	....	....
Country Elevators	85,032	....	4,980	3,428
Int. Term. Elevators	2,825	....	557	192
Int. Private & Mfg. Elevators	6,440	....	1,047	1,123
Ft. William and Pt. Arthur	39,499	....	1,948	2,426
Canadian Afloat	4,214	....	796	....
Victoria	....	....	....	....
Vancouver	9,606	....	240	9
Prince Rupert	1,028	....	....	....
Bonded grain in the United States	23,057	....	85	21
Other Canadian	41,371	....	620	554
Feb. 29, 1936	223,725	....	10,789	8,324
Feb. 22, 1936	228,716	....	11,176	8,364
Mar. 2, 1935	235,515	....	15,239	11,349

The Montreal, Fort William and Port Arthur and bonded grain totals are furnished by the New York Produce Exchange and Chicago Board of Trade. The other Canadian totals are telegraphed to DUN & BRADSTREET, INC., by the Agricultural Branch of the Dominion Bureau of Statistics of Ottawa.

Pacific Coast Wheat Stocks

	Feb. 29, 1936	*Feb. 22, 1936*
Portland, Ore.	4,107,000	4,143,000
Tacoma, Wash.	1,201,000	1,213,000
Seattle, Wash.	1,317,000	1,354,000
Total	6,625,000	6,710,000

COMMERCE AND FINANCE

FINANCIAL STATISTICS

	Feb., 1936	Feb., 1935	Ch'ge P. Ct.	Jan., 1936	Ch'ge P. Ct.
Bank clearings, N. Y. City ($)*	14,582,395	12,851,957	+ 13.5	16,786,836	— 13.1
Bank debits, N. Y. City ($)*	15,806,394	12,548,669	+ 26.0	17,924,934	— 11.8
Bank debits, U. S. ($)*	31,571,993	25,659,717	+ 23.0	35,424,099	— 10.9
Bond sales, Munic. ($)	91,940,835	56,113,572	+ 63.8	91,197,126	+ 0.8
Bond sales, N. Y. Curb Exchange ($)	100,688,000	95,218,000	+ 5.7	129,618,000	— 22.3
Bond sales, N. Y. Stock Exchange ($)	373,004,100	224,268,000	+ 66.3	472,543,300	— 21.1
Corporate issues ‡ ($)	140,431,382	5,525,000	+	258,213,425	— 45.6
Failures, number †	856	956	— 10.5	1,077	— 20.5
Stock sales, N. Y. Curb Exchange (shares)	20,562,599	2,924,799	+ 603.2	19,776,753	+ 4.0
Stock sales, N. Y. Stock Exchange (shares)	60,871,262	14,404,225	+ 322.6	67,211,035	— 9.4
	Jan., 1936	*Jan., 1935*	*Ch'ge P. Ct.*	*Dec., 1935*	*Ch'ge P. Ct.*
Automobile financing, retail ($)	88,591,552	56,151,891	+ 57.8	97,508,282	— 9.1
Auto. financing, wholesale ($)	118,872,106	93,830,358	+ 26.7	149,727,695	— 20.6
Fire losses ($)	27,729,930	23,430,504	+ 18.3	27,969,288	— 0.9
Foreign Trade, U. S. Mdse. Exports ($)	198,436,000	176,223,000	+ 12.6	223,477,000	— 11.2
Foreign Trade, U. S. Mdse. Imports ($)	186,915,000	166,832,000	+ 12.0	186,648,000	+ 0.1
Life insurance, sales, ($)	681,506,000	824,903,000	— 17.4	788,003,000	— 13.5
Ry. earnings, gross ($)	299,098,677	264,196,972	+ 13.2	296,225,234	+ 1.0
Ry. earnings net oper. income ($)	35,764,748	21,934,645	+ 63.1	46,040,165	— 22.3

* Three cyphers omitted. † Dun & Bradstreet, Inc. ‡ Journal of Commerce.
§ December and corresponding months.

PRODUCTION

	Feb., 1936	Feb., 1935	Ch'ge P. Ct.	Jan., 1936	Ch'ge P. Ct.
Building† (215 cities) ($)	51,559,661	27,636,367	+ 86.6	54,957,904	— 6.2
Coal, anthracite (tons)	6,466,000	4,505,000	+ 43.5	5,203,000	+ 24.3
Coal, bituminous (tons)	41,290,000	34,834,000	+ 18.5	39,330,000	+ 5.0
Const. contracts awarded (37 States) †† ($)	142,050,200	75,047,100	+ 89.3	204,792,800	— 30.6
Flour (bbls.)	5,444,070	4,962,012	+ 9.7	5,602,613	— 2.8
Pig iron (tons)	1,827,972	1,608,552	+ 13.6	2,025,885	— 9.8
Steel ingot (tons)	2,967,803	2,777,765	+ 6.8	3,049,439	— 2.7
Zinc (tons)	36,228	33,468	+ 8.2	41,826	— 13.4
	Jan., 1936	*Jan., 1935*	*Ch'ge P. Ct.*	*Dec., 1935*	*Ch'ge P. Ct.*
Automobile (cars and trucks)	367,252	292,785	+ 25.4	407,804	— 9.9
Boots and shoes (pairs)	32,391,294	29,564,292	+ 9.6	28,948,538	+ 11.9
Babbitt metal (lbs.)	2,510,461	1,923,826	+ 30.5	1,954,084	+ 28.5
Cement (bbls.)	3,630,000	3,202,000	+ 13.4	5,803,000	— 37.4
Coke (tons)	3,450,342	2,889,552	+ 19.4	3,488,818	— 1.1
Cotton mill spin. hours*	7,713,696	7,510,017	+ 2.7	6,803,980	+ 13.4
Electricity, k. w. h.*	9,257,000	8,349,000	+ 10.9	9,131,000	+ 1.4
Gasoline (bbls.)	39,544,000	35,330,000	+ 11.9	40,667,000	— 2.8
Glass, pl. pol. (sq. ft.)	17,275,632	13,365,188	+ 29.3	16,112,218	+ 7.2
Gold (Rand) (ozs.) §	906,496	866,037	+ 4.7	909,550	— 0.3
Lead, refined (tons)	36,296	29,314	+ 23.8	42,020	— 13.6
Malleable castings (tons)	48,414	43,400	+ 11.6	45,598	+ 6.2
Newsprint, U. S. & Canada (tons)	307,316	282,257	+ 8.9	318,994	— 3.7
Paperboard (tons) §	243,594	205,518	+ 18.5	294,290	— 17.2
Petroleum, crude (bbls.)	88,820,000	78,715,000	+ 12.8	88,711,000	+ 0.1
Pneumatic casings §	4,051,286	3,778,418	+ 7.2	3,997,025	+ 1.4
Range boilers (no.)	65,409	63,879	+ 2.4	57,723	+ 13.3
Steel barrels	536,892	437,442	+ 22.7	538,908	— 0.4
Steel castings, commercial (tons) §	37,793	23,916	+ 58.0	36,165	+ 4.5
Steel sheets (short tons)	223,000	235,714	— 5.4	208,774	+ 6.8
Sulph. acid (tons)	156,878	169,301	— 7.3	172,823	— 9.2
Tobacco and products					
Cigarettes, small*	12,724,858	11,336,532	+ 12.2	9,840,823	+ 29.3
Cigars, large	336,579,363	327,578,067	+ 2.7	312,973,813	+ 7.5
Tobacco and snuff (lbs.)	29,489,715	30,120,288	— 2.1	23,096,353	+ 27.7

* Three cyphers omitted. † Dun & Bradstreet, Inc. †† F. W. Dodge Corp.
§ December and corresponding months.

SHIPMENTS AND CONSUMPTION

	Feb., 1936	Feb., 1935	Ch'ge P. Ct.	Jan., 1936	Ch'ge P. Ct.
Silk consumption (bales)	32,053	41,732	— 23.2	38,995	— 17.8
Steel shipments (tons)	676,315	583,137	+ 16.0	721,414	— 6.3
Tin, deliveries U. S. (long tons)	5,600	3,905	+ 43.4	6,635	— 15.6
Zinc, shipments (tons)	39,918	34,877	+ 14.5	46,468	— 14.1
	Jan., 1936	*Jan., 1935*	*Ch'ge P. Ct.*	*Dec., 1935*	*Ch'ge P. Ct.*
Anthracite, ship. (tons)	4,865,207	5,070,658	— 4.0	4,115,640	+ 18.2
Babbitt met., sales (lbs.)	1,964,480	1,515,760	+ 29.6	1,484,741	+ 32.3
Carloading (cars)	3,088,100	2,429,800	+ 27.1	2,643,700	+ 16.8
Cement, ship. (bbls.)	3,889,000	2,846,000	+ 36.6	4,514,000	— 13.8
Coal, anth. and bit., ind. cons. (tons)	30,422,000	27,107,000	+ 12.2	28,641,000	+ 6.2
Cotton cons. (bales)	591,309	550,553	+ 7.4	498,329	+ 18.7
Gasoline cons. (bbls.)	32,553,000	28,062,000	+ 16.0	33,734,000	— 3.5
Lead, refined (tons)	34,590	33,695	+ 2.7	42,333	— 18.3
Malleable castings (tons)	43,587	41,182	+ 5.8	43,942	— 0.8

SHIPMENTS AND CONSUMPTION (Continued)

	Jan., 1936	Jan., 1935	Ch'ge P. Ct.	Dec., 1935	Ch'ge P. Ct.
Newsprint, U. S. & Canada (tons)	256,791	341,535	— 24.8	255,517	+ 0.5
Oil-burners (no.) §	7,729	5,531	+ 39.7	10,049	— 23.1
Paints & var., sales ($)	24,141,272	20,835,518	+ 15.9	20,038,905	+ 20.5
Petroleum, crude, runs-to-stills (bbls.)	85,776,000	75,456,000	+ 13.7	84,992,000	+ 0.9
Pneumatic casings §	4,153,807	3,108,552	+ 33.6	3,989,877	+ 4.1
Range boilers (no.)	77,344	64,904	+ 19.2	48,726	+ 58.7
Rubber, cr., cons. (tons)	48,506	47,103	+ 3.0	42,942	+ 13.0
Steel barrels	535,370	438,334	+ 22.1	541,375	— 1.1
Steel sheets, ship. (short tons)	207,437	205,915	+ 0.7	195,077	+ 6.3
Sulph. acid, cons. (tons)	125,730	162,658	— 22.7	132,508	— 5.1
Waste paper (consump.) (tons) §	196,429	173,314	+ 13.3	246,318	— 20.3
Wool consump., scoured basis (lbs.)	32,600,000	32,200,000	+ 1.2	29,900,000	+ 9.0

§ December and corresponding months.

STOCKS ON HAND AT END OF MONTH

	Feb., 1936	Feb., 1935	Ch'ge P. Ct.	Jan., 1936	Ch'ge P. Ct.
Silk, raw (bales)	64,680	48,727	+ 32.7	56,511	+ 14.5
Tin, world's visible supply (long tons)	15,607	19,652	— 20.6	13,338	+ 17.0
Zinc (tons)	75,517	116,276	— 35.1	79,116	— 4.5
	Jan., 1936	*Jan., 1935*	*Ch'ge P. Ct.*	*Dec., 1935*	*Ch'ge P. Ct.*
Cement (bbls.)	22,649,000	21,785,000	+ 4.0	22,908,000	— 1.1
Coal, anth. and bit., ind. stocks (tons)	30,647,000	30,300,000	+ 1.1	34,876,000	— 12.1
Coke, by-product (tons)	2,110,216	3,129,278	— 32.6	2,779,509	— 24.1
Cotton, ex. lint. (bales)					
In mfg. plants	1,434,992	1,192,065	+ 20.3	1,427,484	+ 0.5
In warehouses	7,844,295	8,945,866	— 12.3	8,386,784	— 6.5
Gasoline at ref. (bbls.)	36,158,000	33,224,000	+ 8.8	31,328,000	+ 15.4
Lead, refined (tons)	224,013	229,675	— 2.5	222,306	+ 0.8
Newsprint, U. S. & Canada (tons)	90,852	69,031	+ 31.6	40,404	+ 124.9
Oil-burners (no.) §	15,565	12,497	+ 24.5	14,101	+ 10.4
Petroleum, crude, excl. Calif. (bbls.)	265,195,000	293,226,000	— 9.6	268,781,000	— 1.3
Porcelain plumbing fixtures (pieces)	7,836	9,660	— 18.9	7,268	+ 7.8
Pneumatic casings §	8,195,863	9,454,985	— 13.3	8,249,220	— 0.7
Range Boilers (no.)	37,690	30,443	+ 23.8	49,625	— 24.1
Rubber, on hand & afloat to U. S. (long tons)	320,242	390,997	— 18.1	334,532	— 4.3
Steel barrels	33,090	29,338	+ 12.8	34,428	— 3.9
Steel sheets (sh. tons)	152,283	105,182	+ 44.8	149,213	+ 2.1
Sulphuric acid (tons)	88,356	111,397	— 20.7	92,253	— 4.2
Waste paper (tons) §	240,298	243,692	+ 1.1	248,341	— 0.8

§ December and corresponding months.

GOVERNMENT STATISTICS

	Jan. 31, 1936	Jan. 31, 1935	Dec. 31, 1935
Money in circul., U. S. ($)	5,737,070,747	5,380,428,959	5,881,525,846
Population	127,608,000	126,861,000	127,546,000
Per capita ($)	44.96	42.41	46.11
Gen. stock money, U. S. ($)	16,625,873,303	14,292,923,305	16,648,062,387
	Feb. 29, 1936	*Feb. 28, 1935*	*Jan. 31, 1936*
Debt, gross, U. S. ($)	30,519,660,950	28,525,994,303	30,516,452,985
United States:	*Feb., 1936*	*Feb., 1935*	*Jan., 1936*
Receipts, ordinary ($)	218,307,313	214,128,139	227,964,879
Expenditures, ord. ($)	203,459,492	250,411,894	232,022,913
Expenditures, emerg. ($)	300,833,372	247,965,565	240,709,902

MONTHLY INDEX NUMBERS

EMPLOYMENT—PAY ROLLS—PRODUCTION
(1923-1925 = 100)

	Jan., 1936	Dec., 1936	Nov., 1935	Jan., 1935
Employment (Factory) (BLS)	83.1	84.6	84.9	78.8
Pay Rolls (Factory) (BLS)	72.2	76.6	74.5	64.3
Production, Ind. (FRB) adj.	99	104	98	91

PRICE INDEX NUMBERS (WHOLESALE)

	Base Year	Mar. 1, 1936	Feb. 1, 1936	Jan. 1, 1936	Same month 1935
DUN'S		$179.601	$179.045	$178.063	$176.806
BRADSTREET'S		$9.9196	$10.0204	$10.3641	$9.7954
U. S. Bureau of Labor ‡	1926		80.6	80.9	78.8
Annalist ‡	1913	126.5	128.3	129.4	124.3
Canada (Dom. Bureau) ‡	1926	72.5	72.9	72.6	71.9

	Base Year	Jan., 1936	Dec., 1935	Nov., 1935	Same month 1935
U. K. (Board of Trade)	1930	91.8	91.4	91.2	88.3
U. K. (Economist)	1913	98.1	98.3	98.2	91.6
U. K. (Statist)	1913	102.0	102.0	101.5	98.4
France (Stat. Gen.)	1913	359	354	348	350
Germany (Official)	1913	103.8	103.7	103.2	101.1
Belgium	1914	....	578	582	468
Denmark (Official)	1913	139	139	139	135
Norway	1913	131	131	130	125
Sweden	1913	118	118	118	115
Holland	1929	62.6	62.7	62.9	61.9
Japan (Oriental Economist)	1913	180.4	180.1	180.5	173.9
China (Shanghai)	1926	104.7	103.5	103.5	99.4

‡ Average over previous month.

COTTON GOODS RECOVERY FEATURED TEXTILE TRADING

by C. S. Woolsley

COTTON goods buying in February began to show progress following weeks of uncertainty and confusion, the natural aftermath of the decision squelching the processing tax, which provided for refunds from mills to their customers. Sales in the first half of the month were small but a decided pick-up occurred in the last two weeks, the volume of gray print cloths sold exceeding production by 25 to 30 per cent.

The bulk of the business was for spot and nearby deliveries, with few contracts for later shipments to be had. Advances under these conditions were difficult to obtain, since the buying gave mills no important backlog on which to reinforce the price structure. Gray goods prices at the end of the month were well under the cost of production in even the most efficient mills.

More Cotton Goods Sold

Trading in gray sheetings was more active, but prices did not improve greatly. There was, however, an occasional instance where a construction would recover from isolated weakness. The position of sheetings, however, was better than that of print cloths, both as to stocks in relation to unfilled orders and to prices as well.

Tobacco cloths sold in fair volume and some styles became scarce. Sharp premiums were paid for spot sateens. Twills and drills were fairly active at unchanged prices. Part waste osnaburgs sold in fair volume. Sales of jeans were better. Fine goods markets were strengthened by Government purchases for relief purposes. Fancy cottons of various types were moved in good quantities. Sheer weaves were in especially strong demand, as a number of converters came in with reorders, against sales of finished goods to cutters swinging into production of Summer garments.

Denims held firm, with 14c. the generally quoted price on 28-inch 2.20 yard white backs. Some large contracts were placed at prices a ½c. below this level. The market showed signs of advancing late in the month on the strength of heavy purchases by the Government for relief purposes. These purchases were expected to greatly offset declining sales of overalls and work garments generally at wholesale.

Break in Silk Prices

Sheet and pillowcase markets continued to improve. A number of mills succeeded in selling up production for four to six weeks. The situation was further strengthened by Government purchases of several millions of yards of sheetings. Jacquard bedspreads continued to sell in large volume. Business in outing flannels made further gains, a number of mills selling up production until July.

Cotton yarn buyers still operated cautiously and preferred to withhold commitments until prices showed signs of strengthening. Knitters bought large amounts of combed yarns for use in polo shirts and pajamas, but outside of this, business in both weaving and knitting counts was sluggish.

With bearish factors predominant, silk prices during the month suffered further sharp deflation capped by violent fluctuations in the last week following upon the heels of the military and political eruption in Japan. Spot prices fell 23c. to 25c. a pound during the month, or from 12 to 15 per cent. Open market prices in Japan were off 110 yen, or about 15 per cent. As March opened, the outlook for silk was clouded in doubt. Consumption by American mills in February was estimated at 32,650 bales, as compared with 38,995 in January and 41,732 in February of last year.

Hosiery Output Reduced

Hosiery business was curtailed by inclement weather, which kept consumers indoors or clad in heavy stockings and overshoes. Throwsters reduced operations drastically. Some hosiery manufacturers reduced prices in the hope of stimulating business, but competitors failed to follow, being actuated by the belief that the weather rather than price was responsible for the slump in demand. With the advent of higher temperatures at the end of the month, broad silk sellers reported a decided improvement in the call for finished goods.

After marking time for weeks, due to labor uncertainties, cutters began to enter the market in large numbers and purchased sizable quantities of staple and novelty cloths. Sports silks, notably the washable type, sold in good volume. Among the cloths favored were parachute silk, checked silk sailcloth, striped plaid and plain silk crash, shantung, tusser and faconne, and jacquard crepes.

Rayon weaving mills ended the month in a strong statistical position so far as stocks were concerned. Rayon weavers have followed a conservative operating policy this year, with the result that the slack demand for Spring

goods did not leave them with any undue accumulation upon their hands. Dress goods mills, in particular, have based their operations upon actual demand from converters rather than upon potential Spring business. Mills running on pigment cloths enjoyed a steady demand for their output during the month. Pigment print cloths continued to furnish the bulk of the business in the greige goods market.

Demand for Rayon Steady

Mills making cuprammonium sheers were reported as operating at a good rate on these cloths. A number of fine cotton mills are running looms on spun rayon novelties and are beginning to experiment with new cloths for Fall. The scarcity of domestic pigment yarn, as the month ended, led to reports from Japan of orders placed in that country for 100 and 150 multifilament counts for export to this market. Up to the present time, the only filament yarn brought in from Japan has consisted of sample lots. As a result, the trade is anxious to hear prices on Japanese yarns and see tests of quality of fabrics made from these.

Stocks of burlap in Calcutta at the end of February were reported in the trade at 62,260,000 yards, against 60,500,000 yards at the end of January. The small increase was a surprise to the trade where it had been expected that holdings at the end of February would at least be 5,000,000 yards higher than at the end of January. Stocks of sackings were listed at 107,000,000 yards, against 99,000,000 at the end of January. Prices during the month were steady and sales showed a considerable increase over the previous month's.

Fall Woolens Well Booked

Wool goods markets during the month were active. Mills started showings of Fall men's wear lines and booked substantial initial business at prices that showed advances of 10c. to 15c. a yard on suitings over Spring levels, and from 50c. to 60c. a yard on overcoatings. Demand for women's wear fabrics was slow, but showed signs of improvement, as the demand for garments expanded with the advent of more seasonable weather.

Business in spot wool, however, continued to recede, although buying of wool on the sheep's back on the Western ranges was the largest in years. Spot foreign wools, Australasian and South American, were about as active as domestic wools. Despite slow trade, it was almost impossible to keep prices down on the small supplies of American wool available.

Buying of clothing at retail was somewhat restricted by cold weather and heavy snows, but stores succeeded in moving stocks of heavy-weight apparel. The weather, however, delayed promotions of Spring garments in the South and on the Pacific Coast. Wholesale clothing markets started to improve toward the end of the month, as retailers began to call in supplies of Spring merchandise on orders. Mannish, severely tailored suits continued to lead sales of women's garments at wholesale, the trade estimating current business at 80 per cent suits and 20 per cent coats.

Underwear Orders Gained

Larger underwear manufacturers going direct to the retail trade are doing a good business for the Spring season. The sharp gains in sales recorded during February, as compared with the same month a year ago, came as a complete surprise to manufacturers who anticipated some increases but were not quite prepared for the large orders written by their salesmen on the road. Of more than passing pleasure to mills was the interest manifested by retailers in better quality merchandise.

DAILY SPOT MIDDLING COTTON PRICES AT LEADING CENTERS DURING FEBRUARY, 1936

(Cents Per Pound)

	Sat. Feb. 1	Mon. Feb. 3	Tues. Feb. 4	Wed. Feb. 5	Thurs. Feb. 6	Fri. Feb. 7	Sat. Feb. 8	Mon. Feb. 10	Tues. Feb. 11	Wed. Feb. 12	Thurs. Feb. 13	Fri. Feb. 14	Sat. Feb. 15
New Orleans	11.44	11.59	11.48	11.35	11.49	11.37	11.42	11.50	11.56	*.....	11.48	11.44	11.36
New York	11.60	11.75	11.60	11.45	11.60	11.65	11.65	11.75	11.80	.....	11.70	11.80	11.70
Savannah	11.56	11.70	11.56	11.42	11.56	11.59	11.62	11.71	11.30	.....	11.40	11.47	11.38
Galveston	11.16	11.31	11.17	11.00	11.12	11.12	11.15	11.20	11.20	.....	11.30	11.32	11.22
Memphis	11.45	11.60	11.45	11.30	11.45	11.50	11.50	11.60	11.65	.....	11.40	11.45	11.40
Norfolk	11.65	11.80	11.65	11.40	11.60	11.60	11.60	11.65	11.60	.....	11.70	11.75	11.70
Augusta	11.70	11.85	11.70	11.57	11.68	11.74	11.77	11.86	11.50	.....	11.60	11.67	11.58
Houston	11.25	11.35	11.20	11.05	11.15	11.20	11.23	11.25	11.25	.....	11.25	11.35	11.25
Little Rock	11.36	11.50	11.36	11.22	11.33	11.39	11.42	11.51	11.56	.....	11.51	11.37	11.28
Fort Worth	10.94	11.09	10.94	10.81	10.88	10.94	10.97	11.06	11.11	.....	11.26	10.97	10.88
Dallas	10.94	11.09	10.94	10.81	10.88	10.94	10.97	11.06	11.11	.....	11.26	10.97	10.88

	Mon. Feb. 17	Tues. Feb. 18	Wed. Feb. 19	Thurs. Feb. 20	Fri. Feb. 21	Sat. Feb. 22	Mon. Feb. 24	Tues. Feb. 25	Wed. Feb. 26	Thurs. Feb. 27	Fri. Feb. 28	Sat. Feb. 29
New Orleans	11.35	11.35	11.32	11.31	11.28	*.....	11.23	*.....	11.22	11.19	11.21	11.24
New York	11.65	11.55	11.55	11.50	11.45	.....	11.31	11.25	11.25	11.27	11.33	11.30
Savannah	11.44	11.43	11.41	11.35	11.32	.....	11.26	11.16	11.27	11.27	11.28	11.31
Galveston	11.29	11.26	11.25	11.19	11.16	.....	11.09	11.01	11.06	11.08	11.11	11.14
Memphis	11.45	11.40	11.40	11.35	11.30	.....	11.25	11.15	11.25	11.25	11.30	11.30
Norfolk	11.75	11.75	11.70	11.55	11.55	.....	11.45	11.35	11.45	11.45	11.45	11.50
Augusta	11.65	11.62	11.61	11.55	11.52	.....	11.45	11.36	11.47	11.47	11.48	11.51
Houston	11.30	11.30	11.30	11.25	11.22	.....	11.15	11.05	11.15	11.15	11.15	11.18
Little Rock	11.34	11.32	11.31	11.25	11.22	.....	11.16	11.06	11.17	11.17	11.18	11.21
Fort Worth	10.95	10.92	10.91	10.85	10.82	.....	10.75	10.66	10.77	10.77	10.78	10.81
Dallas	10.95	10.92	10.91	10.85	10.82	.....	10.75	10.66	10.77	10.77	10.78	10.81

* Holiday

INTERNATIONAL MONEY MARKETS

APPREHENSIONS of inflationary developments and expedients continued to play their part in the international money markets during February. In contrast with the incidents of last year, when a European war scare brought nervous funds to this market in enormous amounts, most of the fears last month were centered about the United States. A small export movement of gold resulted from the occurrence, but financial needs of the French Treasury emphasized the perplexing problem of where to send funds for safe-keeping, and it is probably for that reason that the gold exports were confined to a relatively small sum.

With the advent of February, foreign exchanges strengthened very sharply against the dollar. Passage of the soldiers' bonus measure over President Roosevelt's veto late in January directed attention all over the world to the continued and mounting Government deficits in the United States. Many of the European capitalists who sent their money to this side last year, because they feared an European war and French franc devaluation, again recalled their funds.

When the European gold currencies moved to and beyond the upper gold points, gold readily was made available for export by the United States Treasury. This, in itself, had a reassuring effect, for there are always questions in Europe as to the availability of gold here. An aggregate of $20,000,000 gold was shipped to the other side of the Atlantic, France taking $17,000,000 and Holland $3,000,000.

Gold Outflow Curtailed

The outflow of nervous funds and of gold began to diminish on February 5, when President Roosevelt gave the first of a number of indications of financial conservatism. The President expressed the opinion that approximately $1,000,000,000 of authorized recovery expenditures would not be required.

Attention was turned thereafter to the tax program, with the apparent intention of raising by taxation the estimated extra annual cost of the early bonus disbursement and the lack of processing levies. The dollar strengthened on these developments and remained fairly firm thereafter until the month-end.

Also of great interest, however, was a gold transaction of the Federal Reserve Bank of New York, which reported on February 11 the earmarking of $9,970,400 gold for account of a foreign central bank. It appeared, the next day, that this represented part payment for some 50,000,000 ounces of silver purchased by the Treasury directly from China last year.

Secretary of the Treasury Henry Morgenthau, Jr., disclosed that the Chinese Central Bank had requested transformation of a part of the balances from silver sales into gold, and this was speedily accomplished. It is understood the Treasury also is purchasing silver directly from Mexico, but some acquisitions still are effected in the London open market.

It was made known early in the month that the French Treasury was badly in need of funds, owing to sparse tax collections and other revenues in the early part of every year. Heavy collections later compensate for this paucity. Negotiations were undertaken by the French officials for a loan from British private bankers, but the discussions were protracted and it was not until February 17 that the arrangements for a £40,000,000 advance were concluded, on a short-term basis. The British and French Central Banks are cooperating to prevent undue effects in the exchange markets, and there is reason to believe the advance will make needless any extraordinary monetary expedients in France, at least until after the Spring elections.

There were some momentary apprehensions regarding Japanese

GOLD RESERVES OF CENTRAL BANKS

(Figures are in millions of dollars; the valuation ratio is: One ounce = $35.00)

End of	England	France	Holland	Switzerland	Japan	Italy	Russia	Germany	United States
1914.....	721	1,375	...	...	108	455	1,509	843	2,042
1920.....	1,277	1,160	433	178	941	345	...	440	4,150
1925.....	1,177	1,204	301	152	975	371	159	488	6,748
1930.....	1,216	3,556	290	234	698	472	422	894	7,154
1931.....	996	4,570	605	767	396	501	555	396	6,859
1932.....	987	5,510	703	808	359	520	623	325	6,848
1933.....	1,572	5,112	627	653	359	632	704	156	6,793
1934.....	1,584	5,445	573	624	394	518	744	32	8,238
1935									
Jan.	1,586	5,438	555	600	395	519	744	32	8,391
Feb.	1,586	5,439	552	586	397	519	744	32	8,527
Mar.	1,586	5,479	553	560	398	519	748	33	8,567
Apr.	1,587	5,366	439	446	400	519	748	33	8,710
May	1,587	4,759	440	390	403	519	748	33	8,858
June	1,588	4,708	427	391	407	498	748	35	9,116
July	1,588	4,726	380	421	410	468	748	38	9,144
Aug.	1,593	4,756	402	446	413	419	748	38	9,203
Sept.	1,595	4,770	365	448	416	379	839	38	9,368
Oct.	1,604	4,773	401	453	418	351	839	35	9,693
Nov.	1,628	4,388	427	455	422	351	839	36	9,920
Dec.	1,648	4,395	438	454	425	351	839	33	10,125
1936									
Jan.	1,652	4,324	455	454	...	...	...	31	10,182

developments, beginning February 26, when a military rebellion occurred in Tokio. The movement was directed against the regime headed by Premier Okada, and a number of prominent Cabinet officials were killed. The Bank of Japan reported a sharp increase of advances, but calm was restored on capitulation of the rebels, February 29.

In the American money market continued interest was expressed in the large volume of idle funds, which is reflected by excess reserve deposits of member banks to an amount above $3,000,000,000. The debate on credit policy apparently moved the Treasury to keep unusually large balances in its general account with the Federal Reserve Banks, for by this means the total of excess reserves was kept from mounting to new records.

The Federal Advisory Council, composed of commercial bankers, made known on February 28 that it had strongly recommended to the Federal Reserve Board a reduction of the excess reserves through a material increase of reserve requirements. Previously, the Council had suggested open market sales of some of the United States Government securities held by the Federal Reserve Banks. The insistence of the Council is leading many observers to the belief that restrictive action soon may be taken.

Capital financing during February was on a smaller scale than during the month preceding, but the drop was due entirely to the smaller number of business days and to the fact that a twenty-day interval is necessary on utility and industrial issues between filing of registration statements and formal offering.

DAILY CLOSING QUOTATIONS OF FOREIGN EXCHANGE (BANKERS' BILLS) IN THE NEW YORK MARKET DURING FEBRUARY, 1936

Country and Par	Sat. Feb. 1	Mon. Feb. 3	Tues. Feb. 4	Wed. Feb. 5	Thurs. Feb. 6	Fri. Feb. 7	Sat. Feb. 8	Mon. Feb. 10	Tues. Feb. 11	Wed. Feb. 12	Thurs. Feb. 13	Fri. Feb. 14	Sat. Feb. 15
England, checks (Pound $8.2397)	5.00⅞	5.03¼	5.02½	5.01⅞	5.01¾	5.02¼	5.02⅛	5.01¾	5.00	‡.....	4.98¼	4.99¾	5.00¼
England, cables (Pound $8.2397)	5.00⅞	5.03¼	5.02½	5.01⅞	5.01¾	5.02¼	5.02⅛	5.01¾	5.00	.....	4.98¼	4.99¾	5.00¼
France, checks (Franc 6.6335c.)	6.69	6.69¼	6.69¼	6.69	6.69⅛	6.69¼	6.69¼	6.68⅞	6.67¾	.....	6.64⅝	6.68⅛	6.68⅛
France, cables (Franc 6.6335c.)	6.69¼	6.69½	6.69½	6.69¼	6.69¾	6.69½	6.69½	6.69⅛	6.68	.....	6.64⅞	6.68⅜	6.68⅜
Germany, checks (Marks 40.33c.)	40.78	40.78	40.80	40.78	40.78	40.78	40.79	40.77	40.70	.....	40.50	40.64	40.63
Germany, cables (Mark 40.33c.)	40.80	40.80	40.82	40.80	40.80	40.80	40.81	40.79	40.72	.....	40.52	40.66	40.70
Belgium, checks (Belga 16.95c.)	17.08½	17.03	17.07½	17.07	17.06½	17.06½	17.06	17.06½	17.05	.....	16.97	17.03	17.04½
Belgium, cables (Belga 16.95c.)	17.09	17.09½	17.08	17.07½	17.07	17.07	17.06½	17.07	17.05½	.....	16.97½	17.03½	17.05
Holland, checks (Guilder 68.056c.)	68.72	67.75	68.72	68.72	68.72	68.73	68.74	68.73	68.64	.....	68.38	68.61	68.71
Holland, cables (Guilder 68.056c.)	68.76	67.79	68.76	68.76	68.76	68.77	68.78	68.77	68.68	.....	68.42	68.65	68.75
Czechoslovakia, checks (Crown 4.18c.)	4.20	4.20¼	4.20¼	4.20¼	4.20¼	4.20¼	4.20	4.20	4.19¼	.....	4.17½	4.19½	4.19¾
Czechoslovakia, cables (Crown 4.18c.)	4.20¼	4.20½	4.20½	4.20½	4.20½	4.20½	4.20¼	4.20¼	4.19½	.....	4.17¾	4.19¾	4.20
Switzerland, checks (Franc 32.67c.)	32.99½	33.02½	33.06	33.07	33.06½	33.10½	33.10	33.03½	33.04½	.....	32.90½	33.04½	33.07½
Switzerland, cables (Franc 32.67c.)	33.00	33.03	33.06½	33.07½	33.07	33.11	33.10½	33.10	33 05	.....	32.91	33.05	33.08
Italy, checks (Lira 8.911c.)	8.04¾	8.08¾	8.08¾	8.07¾	8.08¼	8.07¾	8.07¾	8.07¼	8 06¼	.....	8.04¾	8.04¾	8.04¾
Italy, cables (Lira 8.911c.)	8.05	8.09	8.09	8.08	8.08½	8.08	8.08	8.07½	8.06½	.....	8.05	8.05	8.05
Spain, checks (Peseta 32.67c)	13.86	13.86½	13.86	13.86	13.86	13.86½	13.86½	13.85½	13.83½	.....	13.77	13.83½	13.84
Spain, cables (Peseta 32.67c.)	13.87	13.87½	13.87	13.87	13.87	13.87½	13.87½	13.86½	13 84½	.....	13.78	13.84½	13.85
Portugal, checks (Escudo 7.483c.)	4.58	4.60	4.59	4.58½	4.58½	4.59	4.59	4.58	4 57	.....	4.55	4.57	4.57½
Portugal, cables (Escudo 7.483c.)	4.58	4.60	4.59	4.58½	4.58½	4.59	4.59	4.58	4 57	.....	4.55	4.57	4.57½
Denmark, checks (Krone 45.374c.)	22.35½	22.42½	22.43	22.39½	22.39	22.42	22.40½	22.39	22.31½	.....	22.24½	22.30	22.32
Denmark, cables (Krone 45.374c.)	22.36½	22.43½	22.44	22.40½	22.40	22.43	22 41½	22.40	22.32½	.....	22.25½	22.31	22.33
Sweden, checks (Krona 45.374c.)	25.82	25.90	25.91	25.87	25.86	25.89	25.88	25.87	25.78	.....	25.69	25.76	25.78
Sweden, cables (Krona 45.374c.)	25.83	25.91	25.92	25.88	25.87	25.90	25.89	25.88	25.79	.....	25.70	25.77	25.79
Norway, checks (Krone 45.374c.)	25.16	25.24	25.25	25.21	25.20	25.23	25.22	25.21	25.12	.....	25.03½	25.10½	25.10½
Norway, cables (Krone 45.374c.)	25.17	25.25	25.26	25.22	25.21	25.24	25.23	25.22	25.13	.....	25.04½	25.11½	25.11½
Greece, checks (Drachma 2.197c.)	.95	.95¼	.94½	.95¼	.95⅛	.95¼	.95⅜	.95⅜	.95¼	.....	.94⅜	.95⅜	.95¼
Greece, cables (Drachma 2.197c.)	.95¼	.95½	.94⅝	.95⅝	.95⅜	.95½	.95⅝	.95⅝	.95½	.....	.95	.95⅝	.95½
Australia, checks (Pound $8.2397)	4.00⅜	4.02⅜	4.01⅜	4.01¼	4.00⅜	4.01⅝	4.01⅝	4.01¼	4.00	.....	3.98⅜	3.99⅜	3.99⅞
Australia, cables (Pound $8.2397)	4.00⅝	4.02⅝	4.02	4.01⅜	4.01	4.01⅞	4.01⅞	4.01⅜	4.00¼	.....	3.98⅝	3.99⅝	4.00¼
Montreal, demand (Dollar $1.6931)	100.25	100.38	100.13	100.09	100.13	100.22	100.22	100.19	100.22	.....	100.16	100.25	100.19
Argentina, demand (Paper peso 71.87c.)	33.38	33.53	33.50	33.43	33.43	33.47	33.47	33.47	33.30	.....	33.20	33.33	33.33
Brazil, demand (Paper milreis 20.25c.)	8.59	8.59	8.59	8.59	8.59	8.59	8.59	8.59	8.59	.....	8.59	8.59	8.59
Chile, demand (Gold peso 5.19c.)	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	.....	5.15	5.15	5.15
*Mexico, demand (Silver peso 34.398c.)	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	.....	27 80	27.80	27.80
§Uruguay, demand (Gold peso $1.751)	48.25	48.75	48.50	48.50	48.30	48.50	48.50	48.63	49.50	.....	49.00	49.00	49.00

Country and Par	Mon. Feb. 17	Tues. Feb. 18	Wed. Feb. 19	Thurs. Feb. 20	Fri. Feb. 21	Sat. Feb. 22	Mon. Feb. 24	Tues. Feb. 25	Wed. Feb. 26	Thurs. Feb. 27	Fri. Feb. 28	Sat. Feb. 29
England, checks (Pound $8.2397)	4.98½	4.98⅞	4.99	4.99⅜	4.98⅞	‡.....	4.99⅞	4.99½	4.99½	4.98⅛	4.99⅛	4.99½
England, cables (Pound $8.2397)	4.98½	4.98⅞	4.99	4.99⅜	4.98⅞	.....	4.99⅞	4.99½	4.99½	4 98⅛	4.99¼	4.99½
France, checks (Franc 6.6335c.)	6.68⅛	6.67½	6.67⅜	6.68⅛	6.67¼	.....	6.67½	6.67⅜	6.67½	6 68⅛	6.68¼	6.68¼
France, cables (Franc 6.6335c.)	6.68⅜	6.67¾	6.68⅛	6.68¾	6.67½	.....	6.67¾	6.67⅝	6.67¾	6.68⅜	6.68⅜	6.68½
Germany, checks (Marks 40 33c.)	40.64	40.62	40.65	40.66	40.62	.....	40.64	40.63	40.62	40.65	40.64	40.66
Germany, cables (Mark 40.33c.)	40.66	40.64	40.67	40.68	40.64	.....	40.66	40.65	40.64	40.67	40.66	40.68
Belgium, checks (Belga 16.95c.)	17.05	17.03	17.04	17.05½	17.02½	.....	17.04½	17.04	17.03½	17.05½	17.06	17.06
Belgium, cables (Belga 16.95c.)	17.05½	17.03½	17.04½	17.06	17.03	.....	17.05	17.04½	17.04	17.06	17.05½	17.06½
Holland, checks (Guilder 68.056c.)	68.65	68.59½	68 66	68.68	68.59	.....	68.64	68.62	68.64	68.68	68.72	68.72
Holland, cables (Guilder 68.056c.)	68.69	68.63½	68.70	68.72	68.63	.....	68.68	68.66	68.68	68.72	68.76	68.76
Czechoslovakia, checks (Crown 4.18c.)	4.20	4.19¼	4.19½	4.19¾	4.19⅛	.....	4.19¼	4.19¼	4.19¼	4.19⅜	4.19½	4.19½
Czechoslovakia, cables (Crown 4.18c.)	4.20¼	4.19½	4.19¾	4.20	4.19½	.....	4.19½	4.19½	4.19½	4.19⅝	4.19¾	4.19¾
Switzerland, checks (Franc 32.67c.)	33.07	33.03	33.06½	33 06	33.03½	.....	33 04½	33.03	33.04	33.05½	33.07½	33.07½
Switzerland, cables (Franc 32.67c.)	33.07½	33.03½	33.07	33.06½	33.04	.....	33.05	33.03¼	33.04½	33.06	33 08	33.08
Italy, checks (Lira 8.911c.)	8.04¾	8.04¾	8.04¾	8.04¾	8.04¾	.....	8.04¾	8.03¾	8.03¾	8.03¾	8.04¾	8.04¾
Italy, cables (Lira 8.911c.)	8.05	8.05	8.05	8 05	8.05	.....	8 05	8.04	8 04	8.04	8 05	8.05
Spain, checks (Peseta 32.67c.)	13.84½	13.83	13.83¼	13.84	13.82½	.....	13.83	13.83	13 82¼	13.84	13.84	13.85
Spain, cables (Peseta 32.67c.)	13.85½	13.84	13.84½	13.85	13.83½	.....	13 84	13.84	13.83½	13.85	13.85	13.86
Portugal, checks (Escudo 7.483c.)	4.56	4.56½	4.57	4 57	4.56	.....	4 57	4.56½	4.56½	4.56	4.56	4.56
Portugal, cables (Escudo 7.483c.)	4.56	4.56½	4.57	4 57	4.56	.....	4 57	4.56½	4.56½	4.56	4.56	4.56
Denmark, checks (Krone 45.374c.)	22.24	22.26¼	22.26½	22.29	22.26	.....	22.30½	22.29	22.29	22.27	22.27	22.29
Denmark, cables (Krone 45.374c.)	22.25	22.27¼	22 27½	22.30	22.27	.....	22.31½	22.30	22.30	22.28	22.28	22.30
Sweden, checks (Krona 45.374c.)	25 69	25.71½	25.72	25.74½	52.71¼	.....	25.76½	25.74½	25.74½	25.72½	25.73	25.74½
Sweden, cables (Krona 45.374c.)	25.70	25.72½	25.73	25.75½	25.72½	.....	25.77½	25.75½	25.75½	25.73½	25.73½	25.75½
Norway, checks (Krone 45 374c.)	25.04	25.06	25.06½	25 09½	25.06	.....	25.11	25.09	25.09	25.07	25.07	25.09
Norway, cables (Krone 45 374c.)	25.05	25.07	25.07½	25.10½	25.07	.....	25.12	25.10	25 10	25 08	25.08	25.10
Greece, checks (Drachma 2.197c.)	.95¼	.95⅛	.95⅜	.95⅜	.95¼	.....	.95¼	.95¼	.95¼	.95¼	.95¼	.95¼
Greece, cables (Drachma 2.197c.)	.95½	.95⅜	.95⅝	.95⅝	.95½	.....	.95½	.95½	.95½	.95½	.95½	.95½
Australia, checks (Pound $8.2397)	3.98⅜	3.98¾	3.99	3.99¼	3.98¾	.....	3.99½	3.99½	3 99⅜	3.99	3.99	3.99¾
Australia, cables (Pound $8.2397)	3.98⅝	3.99	3 99¼	3.99⅜	3.99	.....	3.99¾	3.99½	3.99⅝	3 99¼	3.99¼	3.99⅝
Montreal, demand (Dollar $1.6931)	100.06	100.09	100.13	100.19	100 13	.....	100.16	100.13	100.13	100.09	100.09	100.16
Argentina, demand (Paper peso 71.87c.)	33.23	33.23	33.27	33.30	33.27	.....	33.33	33.30	33.30	33.27	33 27	33.27
Brazil, demand (Paper milreis 20.25c.)	8.59	8.59	8.59	8.59	8.59	.....	8.59	8.59	8.59	8.59	8.59	8.59
Chile, demand (Gold peso 5.19c.)	5.15	5.15	5.15	5.15	5.15	.....	5.15	5.15	5.15	5.15	5.15	5.15
*Mexico, demand (Silver peso 34.398c.)	27.80	27.80	27.80	27 80	27.80	.....	27.80	27.80	27.80	27.80	27.80	27.80
§Uruguay, demand (Gold peso $1.751)	49.00	49.00	49.25	48.75	48.25	....	48.00	48.50	48.50	47.25	48.00	48.00

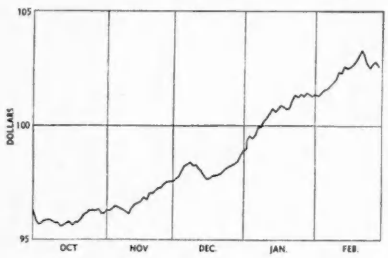
* Nominal quotation. § Free. ‡ Holiday.

STOCK VALUES ADVANCED FOR ELEVENTH MONTH

by GEORGE RAMBLES

ALTHOUGH stock prices churned about and moved through widely irregular arcs, changes were mostly favorable during February, which marked the eleventh consecutive monthly period of advances. External influences bore down thick and fast upon the securities markets, and separate groups of issues moved diversely in response. Most of the prominent stocks listed on the New York Stock Exchange advanced sharply and at times sensationally, but profit-taking sales usually occasioned relapses as well.

BOND PRICES *



(*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal."
Speculative bonds of all descriptions made net advances for the month. Turnover was $373,000,000 par value, against $224,000,000 in February, 1935.

Industrial, utility, and railroad stocks were all effected at different times by such occurrences as widespread apprehensions of inflationary developments, the handing down of a Tennessee Valley Authority decision by the Supreme Court, and an order by the Interstate Commerce Commission for reduction of railroad passenger fares next June to a maximum of two cents a mile. The fear of inflation was the most lasting.

February started with sharp advances in almost all groups of issues, owing chiefly to the passage of the soldiers' bonus legislation over the Presidential veto. But profit-taking appeared on February 5, when President Roosevelt stated that approximately $1,000,000,000 in expenditure authorizations would not be needed for the recovery program.

Buying of equities again was stimulated by inflation fears on February 11. Next came the Tennessee Valley Authority decision, handed down by the Supreme Court on February 17.

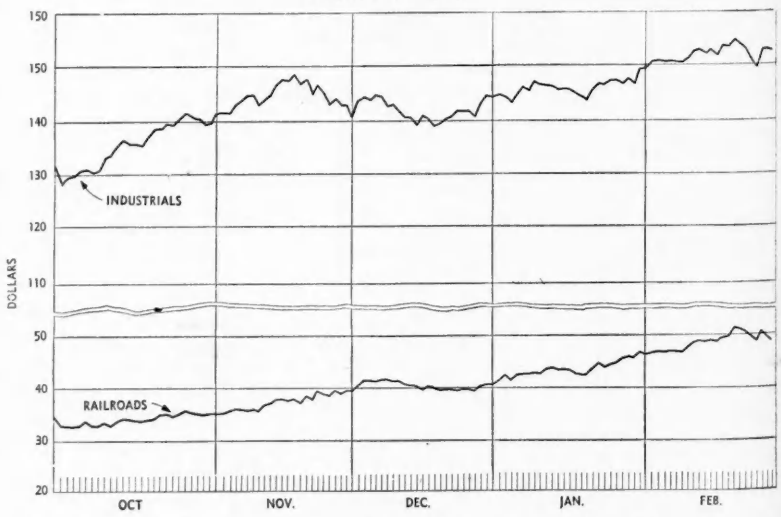
Early that day the opinion prevailed in Wall Street that the whole T.V.A. program would be held unconstitutional. Utility stocks were bought in huge blocks and prices advanced rapidly. Although a digest of the decision soon made it clear that the Court had ruled only on the Wilson Dam and the right of the Federal Government to sell surplus power from that project, utility stocks receded even more sharply than they had advanced early in the day. After a week they were again moving upward.

Railroad stocks were affected adversely in the two final sessions of the month, owing to the I.C.C. order for a lowering of passenger fare rates on all roads, with the exception of some minor Western carriers, to 2 cents a mile, from 3.6 cents.

Trading was heavy, as aggregate share transactions on the New York Stock Exchange were 60,871,000 shares, against 67,211,000 in January, with a number of additional trading days. In February, 1935, only 14,404,000 shares were traded.

Listed bonds were strong, as a rule, although in these issues, also, waves of profit-taking developed at times. United States Government issues moved slowly but steadily forward, and high-grade investment bonds also were in demand. Speculative bonds of all descriptions showed net advances for the month. Bond turnover on the New York Stock Exchange was $373,000,000 par value; against $224,000,000 in February last year.

STOCK PRICES *



(*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal."
While the uptrend of both railroads and industrials was slower, market value of all shares on March 1 rose to $51,201,637,902, the highest since April 1, 1931, and marked the eleventh consecutive monthly advance.

GENERAL BUSINESS CONDITIONS
BY DISTRICT OFFICES OF DUN & BRADSTREET, Inc.

Atlanta Business generally was more active toward the close of the month. Department stores and specialty shops have about completed clearance sales and are now showing full lines of Spring merchandise. Dealers in furniture and home equipment had a good month, with sales 8 to 10 per cent over 1935.

Baltimore Snow and cold early in February held shopping to a minimum and while more moderate weather prevailed at the close, travel still was difficult and shopping conditions anything but pleasant. Although advance showings of Spring merchandise commanded some attention, the greater volume was in Winter wear.

The industrial situation showed stronger indications of expansion, particularly in the heavy goods divisions. Fertilizer sales also showed a gain over the corresponding 1935 period and the production rate stood at about 6 per cent above that of last year.

Boston Trading on the local wool market was quiet during February, but prices were firm, as supplies were comparatively small. The business transacted was mostly of the finer grades. Spinners and weavers still are busy, but piece goods moved somewhat slower, and there were few new orders for yarns booked.

With declining prices for the raw material and lack of sustaining activity, prices in the cotton piece goods market were weak. Stocks of raw cotton on hand at the mills have increased since last year, and spindle activity has been considerably down.

Buffalo Farmers' feed stocks have been sharply depleted by the long-continued cold spell with feed mills anticipating a heavy demand this Spring. Production and sales of office equipment locally are averaging 10 per cent higher than a year ago.

Increasing sales volume has lifted employment in most industrial plants in the Niagara Frontier area, with the total number of workers and pay rolls showing a gain over January and much better than a year ago. Collections continue good.

Chicago The weather really was a major factor in the buying habits of Chicagoans during February. When there was a temporary rise in the mercury, department stores and other retail outlets were well patronized by buyers of Winter commodities. Other colder days showed shopping contingents noticeably smaller than for the same period a year ago.

Wholesalers also felt the adverse effects of the frigid temperatures. Industrially, Chicago carried on in satisfactory fashion, the general percentage of production and employment remaining ahead of early 1935. Railroads serving the resort districts in Florida and other parts of the South, the Pacific Coast, and the Southwest reported that the record-breaking cold weather in Chicago and the Middle West substantially increased their passenger volume.

Cincinnati Unfavorable weather retarded retail distribution, to some extent, but department stores reported sales running from 8 to 20 per cent ahead of last year. Moderate temperatures toward the close of the month were partly responsible for the increase, but consideration must also be given to the fact that February, 1935, sales were retarded, as a result of the newly-instituted Ohio sales tax.

Freight-car loadings showed a sharp increase during the month. This was accounted for largely by the fact that cold weather seriously handicapped Ohio River transportation. Heavy shipments of coal were largely responsible for the higher total.

Cleveland Although this section fared better than some parts of the country, weather conditions prevented most businesses from operating at normal capacities during February. Department store sales so far this month are substantially ahead of February, 1935, as that month was abnormally low, because of a buying slump following the imposition of the Ohio sales tax.

A bright spot in the industrial picture was the increase in steel production. Orders for railroad steel, larger commitments from automobile manufacturers, a steady demand from farm implement makers, plus broadening manufacturing requirements, especially tool builders, were reported as responsible for this increase. One reconditioned blast furnace, long idle, was "blown-in," in addition to the rekindling of fires in three open-hearth furnaces.

Dallas Cold weather has retarded both wholesale and retail business throughout February. However, sales in most lines continued to run ahead of last year's. Department stores report an average increase of 5 per cent, as compared with an increase of 15 per cent during January. Building operations were quiet, but are expected to expand abruptly, as soon as weather conditions become more favorable.

Denver When compared with sales for February, 1935, most retail establishments showed 3 to 4 per cent increases. Wholesale volume

was larger by 3 to 5 per cent. Industrial operations and pay rolls were satisfactory, being above the 1935 comparative level.

Detroit Subnormal temperatures and icy highways were the dominating factor in local industrial and trade activity during February. With shipments of incoming materials and parts and outgoing cars delayed by transportation difficulties, automobile manufacturers reduced their production. Manufacturers of stoves, drugs, and paints, however, were less affected by the weather.

Duluth The subzero weather affected sales adversely in the various retail establishments. However, there was a movement of heavier clothing for which previously there had been but a limited demand. This was felt particularly in the country territory, which tended to increase the volume of wholesalers handling woolens, clothing, and Winter merchandise. Coal docks continued to make heavy shipments, which provided extra work for railroad employees.

Kansas City The excessive cold temperatures which prevailed throughout February affected adversely country buying, particularly in advance orders for Spring requirements. Both the wholesale and retail trades were quiet, but volume for the year to date still was a little ahead of 1935.

A large part of the territory was snowbound, making it difficult for the merchants to get out, and for salesmen to work the territories. Distribution was mainly in heavy wearing apparel.

Los Angeles Unfavorable weather has held back retail trade through February, although indications of an active trend were apparent. Volume was moderately above the same period of last year, when the weather and other conditions were similar, thus indicating satisfactory improvement on the whole.

Wholesale business continued to improve, shoes, clothing, and women's coats and suits showing the more active pick-up. Foodstuffs, furniture, draperies, and builders' supplies were in good steady demand.

Memphis Unusually severe weather interfered somewhat with business, but offered offsetting compensation in stimulation of demand for heavy clothing and other Winter merchandise. Buying power has been kept low, with a large part of the public, by the holding up of the balance of Government rental checks and those for subsidy payments on this year's cotton crop.

Minneapolis The volume of business transacted toward the close of February showed a sharp upturn, attributed principally to the lessened severity of the weather and to the improved transportation conditions. Some industries, however, notably at country points, still were handicapped by inability to obtain empty box cars. Bank transactions showed a healthy gain over February, 1935.

Norfolk Despite unfavorable weather conditions, department store sales show a small gain over the corresponding month of last year. Bank debits and clearings also made a better showing. Coal was the commodity in which the largest gains were recorded. The weekly dumpings were 15 per cent ahead of last year's.

Manufacturing, especially fertilizer, took on an accelerated pace from that of a year ago. Fertilizer manufacturers have concluded that larger crops will be planted, as a result of recent decisions on national legislation. They look for lowered prices of farm produce next Fall, however, and are demanding cash or good security from many customers.

Philadelphia There was a modest acceleration of retail sales in suburban and nearby rural areas and a slight recession in shopping centers of the city toward the close of February. Dealers in specialties did not fare very well, but department stores indicated that business averaged close to 5 per cent better than that of the same period of 1935.

Trading at wholesale ran from 8 to 10 per cent ahead of last year, as buying proceeded in preparation for what is confidently expected will be the best Spring season in five years. Orders for Easter confections were said to be about 20 per cent heavier than in 1935.

Pittsburgh Department store sales averaged around 10 per cent higher than a year ago, but retailers in the smaller towns in western Pennsylvania were severely handicapped by the cold and excessive snowfall.

Wholesale trade showed little increase, in comparison with last year's, although dry goods orders for the first two weeks of February were about slightly 2 per cent above the 1935 level. There has been a slight improvement in hardware buying.

Industrial operations declined to some extent, but were slightly above the 1935 level. There was a decline in steel demand from automobile sources, and plants producing sheets, pipe, and tin plate operated at a lower rate, while plants making heavier products operated slightly better.

Production of bituminous coal increased rather sharply during the month, due principally to the heavy demand for domestic sizes for heating purposes. Industrial mines, from which shipments are made principally by water, were unable to operate to any great extent, owing to the rivers being frozen over.

Portland, Ore. Weather conditions exercised an unfavorable influence upon local retail trade, but higher temperatures toward the close of February tended to stimulate activity. Wholesalers were greatly hampered by transportation difficulties, and activity in many divisions of trade was slightly below that of the corresponding month last year.

Urban sales of radios, and other household accessories showed material improvement, and industrial concerns increased their output, with accompanying lower unemployment. The outlook for Spring is viewed optimistically in all fields.

Richmond Business during February marked time, awaiting seasonable weather. The ice jam in the river broke toward the close of the month releasing shipping. Heavy damage was done by the freeze to roads, and restrictions were in force as to tonnage permitted. All of this has resulted in heavy losses in distribution.

The sale of new cars was at a low ebb. The used-car market is in a particularly unsatisfactory condition, most dealers being overstocked, and cars are not being moved at prices comparable with trade-in values. There was a larger number of unemployed than in several months, particularly in tidewater Virginia, where oyster-tongers were unable to work, and in rural sections, where the usual early preparation of the land was impossible, on account of the heavy condition of the soil.

St. Joseph Unusually cold and snowy weather retarded trade in all lines in this section. Many towns were isolated by snowdrifts and many appeals for help were sent out. Airplanes delivered food supplies to isolated communities.

Salesmen were unable to get to customers off U. S. highways and trains operated irregularly. Scarcity of coal caused much suffering, and schools were closed in great numbers to save fuel. Dealers in coal were unable to supply the demand. The severe Winter has set an all-time record.

St. Louis Dealers in food products and fuel were largely exempt from the dullness in most lines during the month. Continued demand for Winter clothing practically depleted retailers' stocks of this type of merchandise.

Most of the industrial improvement was in the heavier lines;

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Statement of Condition,

March 4, 1936

RESOURCES

Cash and Due from Banks	$ 793,126,402.40
U. S. Government Obligations, direct and fully guaranteed	632,802,503.70
State and Municipal Securities	106,085,744.94
Other Bonds and Securities	117,870,672.31
Loans, Discounts and Bankers' Acceptances	609,245,471.81
Banking Houses	38,686,147.62
Other Real Estate	4,160,248.03
Mortgages	10,130,292.62
Customers' Acceptance Liability	14,987,266.06
Other Assets	14,398,290.58
	$2,341,493,040.07

LIABILITIES

Capital Funds:		
Preferred Stock	$ 50,000,000.00	
Common Stock	100,270,000.00	
Surplus	50,000,000.00	
Undivided Profits	17,625,805.36	
Preferred Stock Retirement Fund	750,000.00	
		$ 218,645,805.36
Reserve for Contingencies		19,558,005.62
Reserve for Taxes, Interest, etc.		1,609,679.46
Deposits		2,059,785,315.41
Acceptances Outstanding		17,333,224.41
Liability as Endorser on Acceptances and Foreign Bills		3,450,291.04
Other Liabilities		21,110,718.77
		$2,341,493,040.07

United States Government and other securities carried at $110,205,549.47 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation

namely, farm implements, washing machines, stoves and foundries. Consumption of paint, cement, and builders' hardware was hampered by the interruption of building schedules pending the arrival of more favorable weather. Lead and zinc production in the tri-State mining area remained limited, with stocks available being taken rapidly.

St. Paul Industrial activities in this district during February were maintained at high levels and manufacturers of coats, dresses, radios, paint, varnish, agricultural implements, refrigerators, adhesives, and abrasives operated close to capacity. Many factories are booked ahead with orders for sixty days and week-to-week commitments continue to gain.

Distribution of general merchandise at wholesale and retail throughout the month was minimized by the effects of extremely cold weather and deep snow but, regardless of this condition, sales volume was well above the figures for the comparative period a year ago.

San Francisco Trade reports for the month reflected the influence of the rainy weather of more than a week's duration. Unfavorable effects were chiefly felt in the retail field. Sales levels, however, were pretty well maintained. Wholesalers made generally favorable reports, comparatively, with staples selling best.

The steel industry was benefited by recent railroad buying. Construction work on the World's Exposition to commemorate the completion of the two new bridges is now officially under way. Dredging and filling for the fair site in the bay have been started.

Seattle As the result of highly unseasonable and cold weather during the first week in February, retail trade in Seattle suffered severely. However, the weather was not without its benefits as fuel and coal dealers reported heavy demands for fuel and sales went soaring. Practically all lines of trade reported slower movement of merchandise, but sales generally equalled or were slightly better than the comparative period last year. Weekly sales of new automobiles established a new high record during February.

Syracuse Industrial pay rolls, freight-car loadings, gas and electric sales, and post-office receipts all continued to show a gain for this district during February. The upward trend in business transactions gave evidence of further gains as the Spring season opens. Sales of wearing apparel and kindred merchandise increased. Bank deposits compared favorably with those of a year ago.

Tacoma All local furniture manufacturing plants were on full time during February, with normal crews. Retail furniture sales showed a good increase, and the condition of the industry is the best in many years. General retail volume was larger than in February, 1935, and collections continued to improve.

The report of the West Coast Lumbermen's Association for February 22, 1936, indicated orders were 5.22 per cent under production, and that shipments were 6.35 per cent over production, which was 94,181,110 feet, against 96,164,353 feet the previous week. Orders were 89,264,982 feet, against 102,053,651 feet for the week before.

THE TREND OF TAX DELINQUENCY 1930-1935

continued from page 13

based on speculatively valued unimproved property some losses may be anticipated, but on the whole the collection of delinquent taxes is producing an encouraging record. Analysis of the situation is particularly important in determining how far accumulated operating obligations are covered by ultimately realizable assets.

The table below, offers an opportunity to study the situation by showing the percentage of delinquency on the levies of the last four years as they stood at the close of the last fiscal year. In instances where tax title liens held by the city are not included in the percentages shown this has been noted in the last column, as have also any minor deviations from end-of-fiscal-year dates.

The median figures are shown for 97 representative cities, all partial records and all records affected by the omission of the tax title liens from the percentages having been excluded from the compilation. The results are as follows, indicating that the median delinquency on 1932 taxes at the close of the 1935 fiscal year was only 4.4 per cent:

Year Levied	Per Cent Delinquent End of 1935
1935	17.3
1934	10.5
1933	7.0
1932	4.4

Accumulated Delinquency in Relation to 1935 Levy

Still another method may be employed in determining how far behind cities are in the collection of their taxes. This is to relate the total accumulation of delinquent taxes to a year's levy. The range in accumulated delinquency is extraordinarily broad, extending from less than 10 per cent of the most recent levy in a few cities to well over 100 per cent in the case of several. The median figure for the entire group is 48.4 per cent, indicating that the average municipality was slightly less than one-half year's levy short of realizing the total taxes due at the close of the last fiscal year.

It may be said, in conclusion, that even without further improvement in tax collections the great majority of cities should be able to maintain balanced operations, some with ease and most without serious difficulty. It cannot be done, however, on the basis of perfunctory, visionary, or politically determined revenue estimates. This important aspect of the budget needs more serious attention than it has received in the past.